

JPRS 84511

11 October 1983

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2458



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

11 October 1983

EAST EUROPE REPORT
ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2458

CONTENTS

INTERNATIONAL AFFAIRS

- GDR Calls for Closer Coordination of CEMA Planning, S&T Research
(WIRTSCHAFTSWISSENSCHAFT, Vol 31, No 7, 8, Jul, Aug 83) 1

'Certain Problems' to Overcome, by Gerhard Proft
Coordinating S&T with Production
by Heiko Polten, Bernd Scholz

CZECHOSLOVAKIA

- Wage Composition for Team Work Participants Discussed
(PRACE A MZDA, No 8, 1983) 40

Worker Compensation in Brigades
by Jiri Danek
First Quarter 1983 Developments
by Jiri Fremr

GERMAN DEMOCRATIC REPUBLIC

- Managers' Responsibility for Worker Productivity, Motivation Stressed
(EINHEIT, Vol 38 No 5, May 83) 59

Meeting Market Demands,
by Georg Ebert
Incentives for Improved Technology
by Frank Adler

HUNGARY

- New Type Economic Organizations Examined
(FIGYELO, No 34, 25 Aug 83) 74

POLAND

Government Official Comments on Foreign Exchange Bill
(Zbigniew Karcz Interview; ZYCIE WARSZAWY, 18 Aug 83) 79

Minister Opposes Controlled Sales
(Anna Sielanko; RZECZPOSPOLITA, 11 Aug 83) 82

ROMANIA

Deficiencies in Harvesting Sugarbeets Deplored
(SCINTEIA, 23 Sep 83) 84

GDR CALLS FOR CLOSER COORDINATION OF CEPA PLANNING, SAT RESEARCH

'Certain Problems' to Overcome

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol 31 No 7, Jul 83
(signed to press 15 May 83) pp 984-1001

[Article by Prof Dr Gerhard Proft, deputy director, Economic Research Institute, State Planning Commission: "Planning Coordination of CEPA Countries—an Important Foundation for the Progressive Deepening of Socialist Economic Integration"]

[Text] (Summary) The author states that high priority must be assigned to further expansion of planning cooperation among the CEPA member nations so that the diverse scientific-technological and economic problems can be solved which have arisen as a result of more difficult conditions in the eighties. The author makes it clear that great attention must be paid—as a result of the altered starting situation both in a positive and a negative sense and the new increased demands on socialist economic integration—to the implementation of the type of intensive, economic reproduction which is characterized by cost-saving and resource-saving measures. Another important problem on which the author focuses is the task of exchanging as much information as possible among the member countries on the status, the experiences and the direction taken toward further improvement of the system of control, planning and economic incentives. The data and insights obtained in the process make it possible—in addition to adopting positive experiences of the USSR and other CEPA countries for the benefit of developing one's own system—to submit with greater assurance proposals for the further improvement of cooperation in the field of planning as between the GDR and the USSR as well as the other nations.

Table 1. Average Annual Growth Rates of Major Economic Indicators of CEMA Member Countries 1971-1980.⁹

	Produziertes National- einkommen (10)	Industrie- produktion (11)	Arbeits- produktivität in der Industrie (12)	Agrar- produktion (13)	Investi- tionen (14)	Außenhandels- umsatz (15)
(1) RGW-Länder insgesamt	5,2	6,3	4,8		5,6	12,7
(2) Volksrepublik Bulgarien	7,9	7,5	6,0	1,9	6,3	14,4
(3) Ungarische Volksrepublik	4,9	4,9	5,4	3,5	4,7	14,5
(4) DDR	4,7	5,7	4,9	1,9	4,1	11,7
(5) Volksrepublik Polen	5,4	7,5	5,9	0,8	7,7	14,4
(6) Sozialistische Republik Rumänien	9,2	11,2	6,6	5,1	10,0	17,3
(7) UdSSR	4,9	5,9	4,5	1,0	5,2	15,6
(8) CSSR	4,6	5,7	5,1	2,3	5,4	11,6

* Auf der Basis vergleichbarer Preise, der Außenhandelsumsatz zu Preisen des jeweiligen Jahres.

Quelle: Zusammengefasst bzw. errechnet von Hoefelmann/Lohse („Deutsche Außenpolitik“, Heft 7/1982, S. 51) nach „Statistisches Jahrbuch der Mitgliedsländer des RGW 1981, Moskau 1981“, S. 25 bis 34 (russ.); Bulletin „Die wirtschaftliche Zusammenarbeit der Mitgliedsländer des RGW“ Heft 4/1981, S. 96 ff. (russ.); J. S. Shiryayev, „Sozialistische Staatseinkünfte im letzten Jahr“, in „Gesellschaftswissenschaft“, Heft 1/1982, S. 113 (russ.).

Key:

1. CEMA Total
2. Bulgaria
3. Hungary
4. GDR
5. Poland
6. Romania
7. USSR
8. CSSR
9. Based on comparable prices; in case of foreign trade figures on prices of particular year.
10. Produced national income
11. Industrial production
12. Industrial labor productivity
13. Farm production
14. Investment
15. Foreign trade sales
16. Sources: compiled and/or calculated by Hoefelmann/Lohse, DEUTSCHE AUSSEN-POLITIK, No 7, 1982, p 51 based on "CEMA Statistical Yearbook 1981," pp 25-34 [in Russian]. Also: "Economic Cooperation Among CEMA Member Countries," No 4, 1981, p 96 [in Russian]; J.S. Shiryayev, "Socialist Economic Integration in the Eighties," GESELLSCHAFTSWISSENSCHAFT, No 1, 1982, p 113 [in Russian].

Table 2. Trends in Real Income, Retail Sales, Housing Construction in CEMA Member Countries

	(8)			(9)			(10)		
	Indizes der Realeinkommen pro Kopf der Bevölkerung			Einzelhandelsumsatz (einschließlich Gemeinschaftsverpflegung)			Wohnungsbau für 1971-1985 (Tausend Wohnungen)		
	1975	1980	(Plan) 1985	1975	1980	(Plan) 1985	1971	1976	(Plan) 1981
	1975	1975	1980	1975	1975	1980	1975	1980	1985
(1) Volksrepublik Bulgarien	132	113	115	145	122	120-122	251	352	400
(2) Ungarische Volksrepublik	125	108	106-107	135	113		438	455	370-390
(3) DDR	131	124	120 ^a	131	121	120-122	609	814	930-950
(4) Volksrepublik Polen				167	119		1137	1309	
(5) Sozialistische Republik Rumänien	139	129	119	148	145	126,6	752	841	1200
(6) UdSSR	124	118	116,5	136	124	122-125	11224	10287	530-540 ^b
(7) CSSR	137	125		130	108		615	649	600

a) Nettogründernahmen (11)(12)

b) Millionen Quadratmeter

Quelle: Statistisches Jahrbuch der Mitgliedsländer der RGW 1981, a.a.O., S. 25 bis 34. Direktiven und Gesetze zu den Fünfjahrplänen 1981 bis 1985 der Mitgliedsländer des RGW (13)

Key:

1. Bulgaria
2. Hungary
3. GDR
4. Poland
5. Romania
6. USSR
7. CSSR
8. Per capita real income indicators
9. Retail sales (includes communal provisioning)
10. Housing construction 1971-1985 (in thousands of apartments)
11. Net money receipts
12. Millions of square meters
13. Source: "CEMA Statistical Yearbook 1981," op. cit., pp 25-34; directives and laws governing CEMA member country 1981-85 5-year plans.

In the report of the general secretary of the SED central committee, Erich Honecker, submitted to the 10th party congress of the SED high priority was given to the tasks devoted to the further intensification of socialist economic integration with the USSR and the other CEMA countries. Taking the significant resolution adopted by the 10th SED party congress as our point of departure—which is to carry on the policy of the main task in the eighties and to raise the material and cultural standard of living on the basis of a high rate of development of socialist production, of increased efficiency, of scientific-technological progress and of the growth of labor productivity,¹ we are called upon to achieve all the goals set forth in the 10 SED economic strategy guidelines.² Part of achieving these goals is the realization that the rate of economic and social progress in the GDR depends to a large extent on the further development of socialist economic integration. Erich Honecker cited the great responsibility we have for solving this problem when he said that "the citizens of our country [are] eager to strengthen the first workers and peasants state on German soil in every way and at the same time to do justice to their responsibility in the struggle for peace alongside our brothers in the land of Lenin and the other nations of the socialist community."³

One of the most important problems in this context is the further expansion of planning cooperation in order to reach the diverse scientific-technological and economic goals which have to be met under complicated conditions in the eighties. In this connection, it is worth noting the task assigned to us by Erich Honecker at the 10th SED party congress. "In our view," he said, "the joint generalization of the best experiences made in building socialism and communism and a convergence of the structures of the economic systems would be of benefit to all fraternal nations."⁴ These proposals are aimed at a further intensification and expansion of cooperation to help exchange the best of the practical experiences and improve the systems of control, planning and economic incentives. "By having the planning and control systems of the economy converge, there will be an altogether natural necessity to study the experiences in the economic development of the various countries and the types and methods of improving this or that sector of economic life."⁵

In the reciprocal relationship between economic planning and planning cooperation—which is to say between the internal and external aspects of the planning process—economic planning may be viewed as a decisive starting point. We are justified in using the term "uniform planning process" because planning cooperation establishes a link between the various aspects of the plans and planning proposals of the CEMA countries which relate to measures and tasks of an international nature and can thus act as an intermediary between the economic plans and/or planning processes of the individual countries. There are two sides to this mediator role. On the one hand, planning cooperation is an aspect of economic planning which relates to international cooperation and on the other hand, it is an aspect of inter-

national cooperation which funnels into the field of state-organized economies. The major economic and organizational premises are predicated on state planning and its goals can only be achieved, if the proper conditions obtain within the participating economies—in other words, if the appropriate organizational, planning and other conditions can be met. In the area of international cooperation in the planning process—which is to say in an area which is an integral part and a visible expression of the economic-organizational function of the socialist state—it is inextricably linked to state-regulated premises within the individual economies and their control and planning apparatus.

In working toward further improvement of planning cooperation among the CEMA member countries, we will therefore have to start out from the levels already achieved and from the need to develop the control, planning and economic incentive systems and as we move forward, it will have to be our aim further to increase the efficiency of the international economic mechanism of scientific-technological and economic cooperation and integration—particularly by achieving convergence among the various methods used by the member nations to achieve cost-efficient economic operation. Essentially, what we should be aiming for is the creation of favorable conditions for a dynamic development of international socialist division of labor and cooperation. And this also includes further convergence of the control, planning and economic incentive systems and in particular those aspects of them which have an impact on the process of socialist economic integration so as to contribute to an ever greater harmonization of the decisions reached on the basis of planning cooperation and the ways and means of putting them into practice.

Starting Point for Further Tasks

There are three aspects which have a bearing on the solution of the problems connected with planning cooperation:

1. In the seventies, the economies of the member nations experienced marked qualitative and quantitative growth and on this basis socialist economic integration among them intensified. This was particularly evident in that:

- the CEMA member countries were successful in their joint efforts to solve the problems connected with the supply of fuels, energy and raw materials;
- there has been success in specific areas in achieving top performance in science and technology through efficient cooperation and to go into production;
- export trade among the member countries rose faster than industrial production or national income of the nations concerned;

- planning cooperation as a primary means of organizing economic and scientific-technological cooperation was enhanced with the help of a number of concrete measures and that the CEPA member nations executed diverse programs for the exchange of information on controls, planning and economic incentives for the purpose of adopting the best of these experiences and so to contribute to convergence.

This successful development constituted the basis for the realization of comprehensive socio-political programs with the aim of putting the main tasks outlined by the communist and labor parties into practice. (Cf Table 2) This has gone a long way to contributing to a shift in the international power relationship in favor of socialism; to turning CEPA into the most dynamic economic region in the world and to maintaining this position.⁶

2. In view of the changing reproduction conditions and the problems to be solved in this context, the European members of CEPA have laid their plans for the eighties—on the basis of the resolutions adopted by their communist and labor parties—which aim at the introduction of a variety of measures designed to achieve a goal-oriented, comprehensive implementation of the intensification of the economic reproduction process. In the members' view, socialist economic integration with its many-faceted possibilities has an important contribution to make toward solving these problems. The increased demands placed on the development of performance and efficiency urgently call for an examination of our possibilities, conditions and resources—also from the point of view of international socialist division of labor—and the formulation of practical proposals for cooperation within CEPA all of which will make a contribution to the solution of the intensification programs of the various economies. This includes major tasks such as:

- the marked increase of production and its efficiency through complete utilization of the benefits of international socialist division of labor in the fields of science, technology and production;
- the continuation of necessary growth as an important precondition for the realization of the tasks assigned to the member countries in their struggle against imperialism;
- the further intensification of cooperation of the member countries to assure the supply of fuels and raw materials through joint efforts and/or the expansion of their own individual raw material base;

—the acceleration of scientific-technological progress; a rise in labor productivity and the most cost-efficient use of capital and manpower in order to achieve a resource and manpower-saving type of intensive expanded reproduction for the GDR, for example.

As international socialist division of labor is transformed into an intensive reproduction system, the aim will also be to shift its impact to qualitative processes of accelerating scientific-technological progress and the stimulation of further efficiency. It is these very tasks connected to creating an efficient structure of production and export which open the way for further major possibilities for cooperation within CEPA.

3. Since the mid-seventies, U.S. imperialism has been engaged in more and more clearly discernible efforts to implement an increased policy of confrontation by NATO under American leadership which is aimed against the socialist community of nations and is coupled with an unprecedented arms buildup. These efforts make it clear that these forces have unleashed an economic war against the CEPA member countries with the aim of holding up or pushing back economic development and of doing the greatest possible damage to real socialism. This is due in the main to the fact that the contradictions inside the capitalist world have sharply intensified. The concurrent general and cyclical crisis of capitalism, economic stagnation and social upheavals of major proportions are the reasons why U.S. imperialism in particular has intensified its policy of confrontation toward the socialist countries in order to divert attention from these weaknesses. By exerting pressure on her alliance partners, the United States is trying to get them to give up peaceful and mutually advantageous trade between Western Europe and the USSR and the CEPA countries and instead to conduct a policy of boycotts and discriminatory trade practices. Among the measures taken were American-imposed embargoes on deliveries and the constant expansion of the so-called COCOM lists (which might equally well be referred to as embargo lists). This represented an attempt—which was doomed to failure from the start—to apply pressure on the USSR, the GDR and the other CEPA countries. More and more, U.S. imperialism is taking advantage of its dominant position in the capitalist finance, credit and currency institutions in order to use these, too, as a means of undermining world trade.

This, too, is being done without any concern for America's allies. And it is revealing to note that even Western economists are forecasting that this disastrous impact of U.S. imperialism will continue through the eighties and "that American influence in Europe will [probably] result in a weakening or interruption of East-West economic relations."⁷ This is but another indication of the strategic thrust of U.S. imperialism in the direction of a policy of confrontation.

A great many activities, resolutions and statements by the CEPA member countries are evidence of the fact that the U.S. policy of threats and confrontation is not having the impact that was intended. The communique of the 56th CEPA meeting, for example, stated: "It was unanimously emphasized that such measures will not meet with success. The CEPA nations are strengthening their solidarity and cooperation and are building up their relations with other nations interested in preserving peace and international cooperation. They are firmly resolved to guarantee their continuing stable development."⁸ The party and state leaderships of the CEPA countries are paying the appropriate attention to the attacks of U.S. imperialism and are doing what is necessary to defeat them. More than ever, this trend of events calls for rebuffing imperialist attempts of imperialism through the utilization of all the advantages of socialism in order to achieve high GNP growth rates on the basis of continuing and planned growth of the individual economies while making full use of the benefits of socialist economic integration. "The economy, in our time, has become the main battleground of the international class struggle. The basic tasks aiming toward the further realization of the concept of developed socialism can only be met through the joint efforts of the nations belonging to the socialist community of states. The SED is therefore in favor of further intensification of international cooperation and of socialist economic integration in particular."⁹ The link between maximum mobilization of a country's own strengths and resources for the purpose of mastering the economic problems of that country through the further development and intensification of socialist economic integration "is at the same time the proper way of frustrating the aims and the impact of the trade war unleashed by the U.S. government against the socialist countries and the GDR."¹⁰ This makes it clear why the planned realization of the ambitious scientific-technological, economic and socio-political goals to be reached by the CEPA member nations in the eighties is so important. The fact is that never before was the economic and thus the political strength of socialism as crucial for the preservation of peace as it is today.

We must therefore aim for a distinct increase in the strength of the CEPA economies. In the GDR's case this means that we must direct our main effort toward accomplishing the economic and scientific-technological goals we agreed upon jointly with the USSR, which is our most important trading partner. The basic thrust of this cooperative endeavor is indicated by the "Program of Specialization and Cooperation of Production between the GDR and the USSR until 1990." "Although cooperation with the Soviet Union has been of incalculable value in the past...it will be of even greater value in the future."¹¹

Main Partner USSR

In all areas of social life the GDR is linked in the closest way possible to the USSR. This is evidenced in the exchange of goods and the present more than 160 government and ministerial agreements on economic and scientific-technological cooperation, in the high level of international specialization and cooperation of production between the two countries and in other ways. Cooperation of this magnitude and quality was achieved as a result of the resolute, scientifically based leadership function assumed by the CPSU and the SED—which was made possible, too, by the high level of the applied systems of control, planning and economic incentives in both countries.

For the GDR, the USSR is the primary partner in the areas of scientific-technological and economic cooperation as well as socialist economic integration. The same thing applies to the efforts aimed at improving the control, planning and economic incentive systems and to planning cooperation within CEPA. The reasons for this are primarily based on the fact that the USSR "has for the first time and in an exemplary fashion applied...the general principles of a socialist planned economy in accordance with the theories of Marxism-Leninism...whose validity and topicality have proven correct time and again."¹² In this context, it is also very important that the GDR and the USSR agree on basic questions of economic policy, on the welfare of man—which is the main task—and on the ways and means to achieve it. The major scientific-technological and economic tasks to be accomplished by the GDR and the USSR in the eighties call for hard work on the part of scientists and experts—taking account both of positive characteristics and conditions and complex foreign trade and foreign policy situations—in order to devote all the efforts toward improving the control systems, toward meeting and surpassing planning goals. This also represents an important jumping-off point for the work in preparation of the 1986-1990 five-year plan as well as its coordination.

Setting Our Sights on the Eighties

Further intensification and overall expansion of cooperation between the GDR and the USSR as well as other CEPA member nations calls for the solution of the following problems which were raised at the most recent party congresses of the CPSU, the SED and the communist and labor parties of the other CEPA countries.

- increasingly comprehensive implementation of the intensive reproduction type as a precondition for the establishment of the required material and social conditions for the formation and improvement of developed socialist society;

- more efficient tie-ins between the achievements of the scientific-technological revolution and the advantages of the socialist economic system as a main avenue toward securing long-term, stable economic growth;
- significant increases in efficiency and quality of social production in order to do justice to the changes in the internal and external reproduction conditions;
- better use of raw materials and fuels, more efficient commitment of capital and reduction of per-unit expenditures with the help of additional energy and material-saving measures;
- implementation of far-reaching changes in the production structures of the economies in order to attain a higher grade of refinement for the products and achieve international top-grade products which would also have a favorable impact on export balances.

These tasks and others call for much joint effort—including the exchange of information among scientists and experts—in order to improve the control, planning and economic incentive systems of the GDR, the USSR and other interested European members of CEMA to an even greater degree of complexity and intensity.

Convergence of Economic Control Systems

The main elements of the control, planning and economic incentive systems must be "conducive to integration" as a whole with further increases in the efficiency of scientific-technological and economic cooperation among the CEMA member nations being assigned an important role. There is wide-ranging agreement, too, on the tasks connected with the improvement of the control, planning and economic incentive systems between the GDR and the USSR. This agreement relates both to the theoretical concepts based on Marxism-Leninism and the practical solution of problems arising at the various stages of the development process. The control, planning and economic incentive systems of the two countries are predicated on the common guidelines contained in the resolutions adopted by the CPSU and the SED on the further improvement of the control systems (or the economic mechanism of the economy as it is referred to in the USSR). These include:

- enhancement of the effectiveness of central state planning and its concentration on the economic processes of major importance;

- strengthening democratic centralism through the establishment of close links between planning goals to be worked out and set centrally and the development of further creative activities and initiatives of the work collectives;
- using the plan to enhance the qualitative factors of economic growth particularly as concerns scientific-technological progress as well as greater efficiency in investments, improvement of material and energy-saving measures, more rational use of social labor capital and a reduction of costs;
- continuing to build up the efficient economic units (called production associations in the USSR and combines in the GDR);
- refining the material economic accounting system and expanding the normative base of planning;
- establishing closer links between control and planning on the one hand and economic accounting on the other; making better use of the value and monetary categories with stimuli to be employed not alongside the plan but at all times on the basis of it;
- working on and implementing the principle of distribution based on performance;
- further intensifying socialist economic integration and trying to achieve more and more sufficient ways of resolving foreign trade problems;
- intensifying state control over the implementation of the plan and increasing state and planning discipline at all levels.

A cardinal issue for the GDR is increasing the efficiency of social production through the total transformation of the economy to intensively expanded reproduction. That is crucial for future economic development.

As we continue to intensify socialist economic integration as between the GDR and the USSR and the other CEMA countries and as the economies of these countries cooperate ever more closely an important role will be played by the exchange of experiences within the context of the improvement of the control systems. The goal was to take advantage of the great fund of experience gathered by the USSR in developing the socialist planning system. In particular, it was the experience of the USSR with long-range plans for the structural development of the economy that was of major importance as was

progress planning, the enhancement of the stability of the five-year plan; plans for efficient investment; plans for the final economic result and greater application of norms to planning.

Another extremely topical issue is how the central organs of state, the combines and factories can do greater justice to their respective responsibilities particularly as these apply to cooperation so that they can take better and better advantage of socialist economic integration with the USSR and the other CEMA member nations as a characteristic feature of developed socialism. By including the guidelines set forth at the 26th party congress of the CPSU and the 10th party congress of the SED which aim toward greater improvement of cooperation between the GDR and the USSR and the other CEMA countries, we will find that there are four main areas which deal with the improvement of the control, planning and economic incentive systems:

(a) Generally speaking, the goal is to work for greater inclusion of the needs and opportunities of socialist economic integration into control, planning and accounting procedures so that efficiency and productivity of social work can be enhanced.

(b) We must make sure that the drafting, the preparation and planning of integration measures is an organic component of the economic reproduction process as well as an organic component of the reproduction process of any economic unit whatever. Making full use of and creatively developing tried-and-true formulas, methods and instruments of socialist planning, this will be possible only in the context of a reciprocal relationship between the future-oriented plans; the five-year and one-year plans. This also includes the drafting and signing of international agreements as well as their accounting and control at all levels of control and all stages of responsibility with the requisite high efficiency.

(c) We must aim for greater refinement and for plans involving selected long-range processes particularly in connection with the task of securing a long-term fuel and material supply for the economy of the GDR. For another thing, we must work out focal points for an efficient economic structural development in production and exports. Long-range plans must be refined in such a way that the combines are given reliable guidelines for the fulfillment of their economic responsibilities which relate to the complex control of their reproduction process. Under such circumstances, the combines will be in an even better position to work out integrated, long-range plans for their respective reproduction processes.

(d) Another goal to be pursued is the unity of utility-value and value-type reproduction in order that an efficient control, planning and incentive system can be guaranteed for preparing and achieving integration measures and that incentives for economical budgeting are further enhanced. All the demands for further improvement of the control, planning and incentive systems particularly call for achieving an ever more favorable relation between social results and the expense involved in attaining them.

More exchange of information among the CEPA member nations concerning the structure, impact and thrust of the further improvement of the control systems specifically serves the purpose of adopting the best experiences, of contributing to the convergence of the systems and at the same time of taking advantage of newly arising opportunities to help refine planning cooperation further. Cooperation in the planning area among the member nations—and this applies both to content and to methods—will be determined primarily by the nature of the socio-economic conditions prevailing in these countries. They also make it possible to achieve the greatest amount of efficiency in the implementation of plans and the development and strengthening of socialist economic integration.

The CEPA member nations meet this requirement by:

- having developed a great variety of types of coordination and planning cooperation which they augmented by working out and implementing long-range target programs and by concluding agreements of specialization and cooperation of production up to 1990 thereby assuring a new qualitative standard for the implementation of crucial long-term programs and processes;
- guaranteeing that the programs contracted for in international treaties and agreements are turned into binding components of state plans and that their accurate fulfillment is subject to controls;
- viewing bilateral and multilateral cooperation as an interconnected system and as forms of cooperation in the field of planning;
- by constantly working to improve their control, planning and economic incentive systems so as to make sure that the requirements and opportunities of socialist economic integration may be taken into consideration at all levels from the very outset.

The dynamic development of international cooperation on the part of the CEPA nations in the scientific-technological and economic field is also being achieved on the basis of ever more refined cooperation in planning. The present status as well as the constantly expanding interrelationship of the science and production capabilities and the great importance for all member nations of international socialist division of labor and cooperation along with their favorable impact on the structural development of the economy are placing constantly new demands on the planning of measures aimed at socialist economic integration. As a result of this trend international planning cooperation is characterized more and more by the fact that the time horizons have expanded; that they subsume all stages of reproduction

and that pre-production stages have more and more become part of cooperative undertakings. A great deal of attention is being devoted to the unity of material and financial planning and work is constantly being done on improving it. The guidelines for the programs of the next few years and the above-mentioned tasks contained in the communique issued at the conclusion of the 36th session of the CEPA council¹³ and in the published excerpts from the speeches of the chairmen of the councils of ministers of the member nations present there all provide a clear picture of the new dimensions of cooperation.

N. A. Tikhonov, the chairman of the USSR Council of Ministers, said in his speech at the 36th session of CEPA: "In the first instance, it corresponds to the need to accelerate the transformation of the economy to the intensive path of development...This calls for a far-reaching transformation of the structures of social production to a progressive, scientific-technological basis, taking the reciprocal complementation of the economy of our nations into consideration. It is necessary to work out the strategic solutions jointly."¹⁴ And in the same context, Willi Stoph said: "This specifically applies to important sectors such as the energy and raw materials industry as well as microelectronics and robotics which...are of prime importance for the further intensification of the economic reproduction process of the CEPA member nations in the eighties."¹⁵

Higher Quality of Planning Cooperation

These and other scientific-technological and economic tasks of major importance which face the CEPA member countries over the next decade make it more and more necessary that they be tackled and accomplished in a comprehensive, long-term fashion through joint efforts. It is with regard to these tasks in particular that planning cooperation has given evidence of its higher quality. In this context, we might recall the five jointly conceived long-range target programs of the member countries whose realization has in the meantime already begun. The efforts are directed toward guaranteeing the following:

- meeting the needs of the economy for the most important fuels and raw materials;
- meeting the population's needs for the basic foodstuffs;
- further developing the machine building industry on the basis of thorough specialization and cooperation of production;
- meeting the adequate need for high-quality consumer goods;
- expanding mutual transportation links.

In the process of working out the target programs, there were certain instances of tasks which seemed more susceptible to a bilateral solution and in these cases, too, the principle of long-range, comprehensive management played a cardinal role. On the basis of this finding, the bilateral program of specialization and cooperation between the GDR and the USSR was worked out which is to run until 1990 and the realization of which has since made good progress. The basic strategies of economic and scientific-technological cooperation which were agreed upon by the GDR and the USSR and are to run until 1990 are being resolutely realized in the most important sectors of the economy.

At the 4th session of the SED central committee, Erich Honecker spoke to this subject as follows: "Not even 3 years have passed since the program... was agreed upon. But we can already say today that its political and economic gains for the GDR are extremely significant."¹⁶ This underscores the high priority assigned by the party and state leadership of the GDR to the achievements already made under this program and those which are still outstanding. An indication of this is not only that the share of specialized and cooperated products of machinery and equipment exports from the GDR to the USSR was more than 50 percent in 1980 as against 10 percent in 1970¹⁷ but that they also represent an important factor in the development of modern, efficient mass production. At the same time, the selection of machinery and equipment and of entire groups of products which are of importance for the development of the material-technological base of the CEMA countries and are now being produced by them themselves is getting bigger and bigger. This major expansion of international specialization and cooperation of the production of the GDR particularly with the USSR has also helped create an important basis for the payment of our large fuel and raw material imports from the USSR. The successful realization of the long-range target programs of the CEMA countries and the bilateral programs of specialization and cooperation in production until 1990 are not only an expression of the higher quality of planning cooperation but also an extension and onward development of the comprehensive program of socialist economic integration. The long-range target programs as well as the bilateral specialization programs have helped develop a coordinated strategy of the CEMA countries in the major sectors of material production until 1990 and in some instances beyond that date. In addition, they help gather more experience in the multilateral and bilateral coordination of major comprehensive tasks of the CEMA member nations. The interrelationship among individual programs affords the participating countries an opportunity to realize crucial tasks of their own economic development in close concert with the long-range plans of scientific-technological and economic cooperation within CEMA.

Control and planning of these processes calls for great stability and the unconditional compliance with the responsibilities assigned under the programs and the bilateral and multilateral agreements concluded on that basis because we are concerned here with important issues of guaranteeing our fuel and raw material supplies which in turn have an impact on invest-

ment structure; on the structure of production and foreign trade, etc. The work to be done in implementing these programs are given support by all other types of planning cooperation.

This trend of events has led to the emergence of new characteristics which will have an increasing impact on both content and methodology of planning cooperation over the next several years. They include:

- the supplementation of the methods of the comprehensive program by the tasks outlined in the long-range target programs and the bilateral programs on specialization and cooperation in production and their early and comprehensive inclusion in the plans of the CEPA countries. This will create the necessary preconditions for the fulfillment of economic tasks in view of the fact that it will be possible to list both capital and resource requirements at an early date;
- the continuity of economic planning over various time periods and levels is provided with a stable basis by means of the agreed measures of socialist economic integration;
- the new tasks of scientific-technological and economic cooperation in the eighties are tackled at a high level of complexity among the economies of the GDR and the USSR and those of the other CEPA member nations.

These are some of the favorable conditions for the development of new and improved types of cooperation in the context of socialist economic integration—and that also includes planning cooperation. These new opportunities of further refining the methods directed toward an expansion of socialist economic integration will also help to overcome in a planned and gradual manner certain development problems in the cooperation among of the CEPA countries which began to emerge in the late seventies and early eighties.

Some of these problems were:

- certain differences in the conditions for the transformation to the intensive type of socialist reproduction;
- differences in the availability of resources and preconditions for supplying the economy with raw materials and fuels;
- scope and level of scientific-technological and economic capabilities as well as the level of economic development as such;

—differences in the significance of foreign trade relations of the CEMA nations for the economic reproduction process.

Another development taking place in connection with the accomplishment of these tasks is that the jointly adopted tasks of the CEMA member nations are more and more becoming an important jumping-off point not only for economic and scientific-technological cooperation but also for the further development of socialist society in the individual member countries. The complex nature of socialist economic integration is developing further. Progressive integration not only results in interrelating material procedures but also contributes to a gradual convergence of certain control and planning models and methods among the various countries.

Of the different types of planning cooperation which have been discussed elsewhere in some detail¹⁸ the most important is the coordination of the five-year plans augmented by the coordination of the economic and scientific-technological policies of the interested CEMA member nations.¹⁹ "Life itself makes it necessary to augment planning coordination with the coordination of economic policy as a whole."²⁰

Coordinating the 1986-1990 Plans

By combining 5-year plan coordination with coordination of economic policy as a whole—while including the agreed tasks in the context of cooperation on long-range target programs and on bilateral specialization and cooperation programs—we are in a position to lend more comprehensive and stable support to the accomplishment of the main tasks of social and economic development as set down in the resolutions adopted by the communist and labor parties. And the aim will be "to increase the efficiency of cooperation within CEMA on the basis of a uniform economic strategy and a coordinated economic policy."²¹

Here are some of the important tasks that must either be accomplished or substantially advanced in the longer term:

- the purposeful transition to the intensive type of economic reproduction in the CEMA member countries as well as a steady rise in the efficiency of social production;
- the further improvement of cooperation in material production on the basis of the implementation of intensive cooperation and specialization of production, science and technology;

- the assured supply of the required amounts of energy, fuels and raw materials to the CEMA countries by various means, including the exchange of goods and joint efforts in prospecting for and mining raw materials and fuels;
- the progressively better utilization of the scientific-technological production basis of the member nations for the coordinated or cooperative realization of measures stemming from the comprehensive programs or other programs such as for the development of the automatization of production; for the creation of material-saving or energy-saving technologies; for the greater refinement of raw materials, etc.

These few examples give an indication of the many possibilities for raising both the quality and efficiency of five-year plan coordination for the 1986-1990 time period and beyond. It will be our job to fashion the emerging comprehensive form of preparation, elaboration and realization of five-year plan coordination in the CEMA countries for 1986-1990 both from the control and planning point of view in such a way that the entire process can be handled through its various stages by the member nations concerned and the CEMA institutions with the least possible difficulty. It is therefore fully justified to call for the possibility and necessity of attaining better quality and efficiency in the coordination of the five-year plans in the context of the coordination of the 1986-1990 plans. This refers both to the coordination process as such and also and most particularly to the impacts made by the results which are to be expected.

In coordinating the five-year plans, the problems to be jointly solved are discussed by the GDR and the USSR and the other member nations with prior or simultaneous consultations having taken place at a high level to coordinate economic policies. The coordination itself takes several years—a process which progressively goes into greater detail. These efforts run parallel to the preparatory work on the plans of the participating countries which are devoted to budgeting and assigning economic priorities.

Coordination of the 1986-1990 plan is not only developing along qualitative but also along quantitative lines. It progressively combines cooperation in circulation with cooperation in production and research into a comprehensive whole and progresses from extractive industry further and further into the specialization and cooperation in the processing industry. The already mentioned significant expansion of longer-range coordination of economic and scientific-technological cooperation of the CEMA countries; the long-range target programs and the bilateral specialization and cooperation programs in production up to 1990 all require that the tasks jointly agreed upon as part of this process are turned into important aspects of the five-year plans of the CEMA nations. This is a contributing factor to the planned, proportional development of the economies of the member nations and thus to

a progressively better guarantee of proportionality according to international standards. The gains which the participating countries will derive from five-year plan coordination will depend in large measure on professional control, planning and management. This also includes a steadily improving coordination between scientific-technological cooperation and the division of labor in the production process because this helps transform cooperative research findings quickly into the productive process. This type of approach offers a guarantee of full utilization of the resultant gains in productivity. This is also reflected in the 1986-1990 five-year plan coordination program adopted by the 36th CEPA meeting. It spells out the overall targets and directions for the coordination of plans during the upcoming 5-year period as well as the organizational guidelines for the implementation of this project by the participating countries, the council members and the international organizations of the CEPA countries. Here are some of the major tasks outlined in this document:

- to expand and increase the intensity of mutual economic relations of the member countries;
- to speed up scientific-technological progress and resolutely transform the economies of the CEPA countries to the path of intensive development;
- to make efficient use of scientific-technological and production capabilities;
- to cooperate in the development and application of microprocessors in the economy; to develop and organize specialization and cooperation in the production of industrial robots;
- to expand coordination of investments on mutually agreed projects.

Additional projects relate to the use of data technology throughout the economy; joint ventures in the construction of nuclear power plants including their specialization, cooperation and utilization. Also: joint efforts in the field of color television to provide the populations of the fraternal nations with these and other high-quality consumer goods.

There is much valuable information already available from earlier efforts to coordinate the five-year plans which can help us carry these tasks to a successful conclusion. Taking these into consideration and taking the newly arising conditions and demands on economic and scientific-technological cooperation of the CEPA member nations into account, several suggestions can be made in the context of the current 1986-1990 coordination discussions.

1. Coordination of the five-year plans—augmented by coordination of the economic and scientific-technological policies of the interested member states—is undertaken in close connection with work on the economic plans. The sequence is set down in such a manner that the participating countries are in a position to take the results of the five-year plan coordination into consideration at the different stages of the work on the draft plans.

2. Coordination of the five-year plans is undertaken bilaterally or multilaterally in order to take advantage of all the possibilities for international socialist division of labor for the purpose of solving economic problems. The top priority for the GDR and the other member states is bilateral coordination with the USSR—as the most important trading partner of all.

3. In the preparation and implementation of five-year plan coordination, the results of other types and methods of planning cooperation are incorporated. This applies in particular to the long-range target programs; to the bilateral programs for the specialization and cooperation in production up to 1990; to the long-range agreements on development of economic and economic-technological cooperation including the exchange of information on development problems and projects of individual member countries in order that these may also be incorporated into the elaboration of proposals for international socialist division of labor as well as into the coordination process itself.

4. The multilateral coordination of the five-year plans dealing with selected problems of scientific-technological and economic cooperation is undertaken by the committees and permanent commissions of CEPA and by inclusion of the international economic organizations of the member states. The planning committee will identify those issues of economic development and cooperation of the member countries which are to be tackled on a comprehensive, multilateral basis. Joint efforts are made to look for ways of efficiently resolving these problems. As far as multilateral coordination is concerned, too, the GDR-USSR bilateral governmental commission on economic and scientific-technological cooperation as well as the bilateral economic committees for cooperation with the other member states are of major importance for the GDR.

5. The control, planning and economic incentive systems must be geared even more to the coordination of the five-year plans. The proposals submitted by the member nations as part of bilateral and multilateral coordination and in accordance with the economic goals of the nations themselves are to be incorporated into those countries' five-year plans with the least possible damage following their international coordination. The control mechanism which oversees the realization of these planning goals must see to it that all obligations are met both in terms of quality and of deadlines.

Planned cooperation by the CEMA countries in the scientific-technological field as well as its dynamic development represents an important foundation for accomplishing the tasks of the eighties. "All the plans of the socialist community of states are plans of peace and work. Our efforts are directed toward deepening comradely cooperation and mutual socialist aid among the fraternal nations and making them more effective. This includes cooperation and aid in joint undertakings in the fields of science, technology, production, transportation, energy, etc. Further joint measures leading in this direction are presently being worked out."²²

In the area of planning cooperation, the coordination of the five-year plans—as the most important aspect of planning cooperation which in its turn is the primary method of organizing cooperation and intensifying international socialist division of labor—plays a pivotal role because it functions as the direct link between the five-year plans of the CEMA member states. In this context, the close ties between economic planning and planning cooperation become particularly apparent. The improvement of the control, planning and economic incentive systems of the CEMA countries in its turn has a decisive impact on the mechanics of scientific-technological and economic cooperation within CEMA.

FOOTNOTES

1. "Report of the SED Central Committee to the 10th Party Congress of the SED," rapporteur: Erich Honecker, Dietz Verlag, Berlin 1981 p 48.
2. Ibid., p 49ff.
3. E Honecker, "Our Fraternal Alliance with the Land of Lenin," NEUES DEUTSCHLAND, 9/10 Oct 82, p 5 [from PRAVDA, 7 Oct 82].
4. "Report of SED Central Committee..." op cit, p 21.
5. E. Honecker, "The Creative Force of Unity," NEUES DEUTSCHLAND, 20 Oct 82, p 6.
6. "Report of the CPSU Central Committee and Upcoming Tasks of the Party in Domestic and Foreign Policy," rapporteur: L. I. Brezhnev, Dietz Verlag, Berlin, 1981 p 12.
7. F. L. Altmann, "CEMA in the Eighties—Problems and Focal Points of Development," OSTEUROPA-WIRTSCHAFT, Deutsche Verlagsanstalt, Stuttgart, Jun 82, p 145.

8. "Communique of 26th Session of CEPA," NEUES DEUTSCHLAND, 11 Nov 82 p 6.
9. "Theses of the SED Central Committee on the Occasion of the Karl Marx Anniversary 1983," Dietz Verlag, Berlin, 1982 p 42.
10. "Final Statement of Erich Honecker" at 4th session of SED central committee, Dietz Verlag, Berlin, 1982 p 90.
11. Ibid., p 103.
12. G. Mittag, "The SED—the Prime Mover in the Improvement of Control and Planning," EINHEIT, No 4/5, 1981, p 340.
13. "Communique of 26th Session..." op. cit., p 6.
14. N. Tikhonov, "Concentrating on Technological Progress Together," NEUES DEUTSCHLAND, 10 Oct 82.
15. W. Stoph, "More Efficient Cooperation among CEPA States in Science and Production," NEUES DEUTSCHLAND, 11 Jun 82, p 6.
16. "Final Statement ..." op. cit., p 103.
17. H. Tschanter, "The GDR in the Process of Socialist Economic Integration," EINHEIT, No 4/5, 1981, p 408.
18. "Socialist Economic Integration—Today," Die Wirtschaft Verlag, Berlin, 1982; Authors Collective, "Socialist Economic Integration and Combine," Dietz Verlag, Berlin, 1982; Authors Collective, "Planning in CEPA," Die Wirtschaft Verlag, Berlin, 1980; Authors Collective, "Theoretical Issues of Socialist Economic Integration," Economic Conference, 14/15 Oct 80, Akademie-Verlag, Berlin, 1981.
19. "Communique of 26th Session..." op. cit., p 6.
20. "Report of CPSU Central Committee..." op. cit., p 12.
21. "Chairmen of CEPA Nations Planning Bodies Received by Erich Honecker," NEUES DEUTSCHLAND, 26/27 Feb 83, p 1.
22. "Yuri Andropov at the Plenum of the CPSU Central Committee," NEUES DEUTSCHLAND, 23 Nov 82, p 5.

Coordinating S&T with Production

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol 31 No 8, Aug 83 (signed to press 15 Jun 83) pp 1143-1157

[Article by Dr Heiko Polten and Dr Bernd Scholz, Institute for Economy and Policy of Socialist Countries, SED Central Committee Academy for Social Sciences: "Closer Linking of S&T Cooperation with Production Cooperation Among Members of CEPA"]

[Text] (Summary) This article deals with the theoretical and practical problems of the planned integration of scientific-technological cooperation and international socialist specialization and cooperation in production on the part of the CEPA member nations. The authors hold to the view that this planned integration is an objective necessity to bring about the intensification of the social reproduction process in the eighties and consider it to be a component of the qualitative development of socialist economic integration. The article outlines the specifics and common features which characterize the planned integration of the two processes. Particular stress is laid on the capabilities arising from the planned integration of science and production in the integration process which can be used to increase economic efficiency.

The more and more efficient utilization of the advantages of international socialist division of labor and cooperation in science, technology and production is one of the unalterable preconditions for the realization of the economic strategy in the eighties. "The development and intensification of socialist economic integration has been a major part of the Politburo's efforts to implement the resolutions adopted by the 10th party congress on economic and social policy. In view of the aggravation of the international situation we are moving even more resolutely toward expanding and deepening economic and scientific-technological cooperation with the USSR and the other socialist countries."¹

This is based on the fact that intensification of social production increases the number of projects whose efficient accomplishment is linked directly to the utilization of the advantages of socialist economic integration. The necessary savings and better use of resources, capital and manpower and the rise in economic efficiency of science and technology as well as the constantly new selection of products create an urgent need for the intensification of international socialist division of labor and cooperation in the fields of science, technology and production based on the full utilization of all the economic potential available to us.

The results achieved in the seventies represent the jumping-off point for the development of scientific-technological cooperation and international socialist specialization and cooperation in production which is to be solidly based on intensification standards. Developments in the CEPA member states during this period were characterized above all by the fact that the economic growth rate in the CEPA community was substantially faster than in the capitalist industrial nations in spite of external and internal changes in reproduction conditions. Between 1971 and 1981, GNP in the CEPA member nations rose by 70 percent but that of the EEC countries by only 30 percent. The level of mutual complementarity and gradual interlinkage already achieved by the economies of the CEPA member nations is also reflected in the fact that trade among them has risen 3.3 times over the past decade. During this same time frame, the GDR's GNP rose by a factor of 1.6 and its trade with the other CEPA countries rose by a factor of almost 3. By 1981, 31 percent of the GDR exports to other CEPA countries already were a result of planned international socialist specialization and cooperation in production. In 1970, it had amounted to only one percent.² Scientific-technological cooperation of GDR scientists with their counterparts in other CEPA countries has contributed mightily to the development of science and technology in the GDR and to a rise in productivity and the efficiency of the economic reproduction process. Many top scientific-technological achievements resulted from these creative socialist collaborations. GDR specialists participated in a great many of these—in metallurgy in the development of plasma smelting; in chemistry in the production of high-pressure polyethylene in the Polymir 50/60 facilities; in electrical engineering and electronics in the development of microlithography; in space research with the MKP 6 multi-spectrum camera and measurement apparatus for the evaluation of photographs of the earth from space; in machinebuilding in high-velocity forging presses and machine tools with numerical and electronic controls.

In the eighties, substantially greater demands will be made on the economic potential and economic growth rates of the European member nations of CEPA because of the fundamentally altered internal and external reproduction conditions. This means that future tasks of socialist economic integration will not be accomplished simply by continuing present trends but that new ideas will have to be forthcoming on how to make better and better use of the potential productivity and efficiency factors inherent in scientific-technological cooperation and in international socialist specialization and cooperation in production.

Planned Integration and Intensification of Economic Reproduction Process

To have intensively expanded reproduction in socialist society become a determining and permanent factor of economic activity, it will be necessary "to take a further step toward the integration of the advantages of socialism with the achievements of the scientific-technological revolution."³

It is becoming clearer all the time that there is a trait characteristic of socialism which results from the indissoluble synthesis of the scientific-technological revolution and socialist economic integration. Socialist economic integration is increasingly turning out to be a precondition for the full utilization of all the potentialities of the scientific-technological revolution. "More than ever, the cooperation within CEMA will be focused on enhancing intensification in all member countries; to increase efficiency in production and to raise science and technology and the application of its findings to the highest level required by international standards."⁴ In summing up the most important factors connected with these efforts, the goal is to improve cooperation among the CEMA member states so that

- the contribution to the achievement of top performances in science and technology is increased—performances which have a profound effect on the economy;
- these results are accomplished in a shorter period of time and become part of the production process sooner than they would have in the absence of such cooperation;
- newest findings in the individual countries, particularly in the field of technology, are efficiently taken advantage of by several partner states;
- products developed jointly or on the basis of division of labor are increasingly used to provide the foundation for the intensification of specialization and cooperation in production among the CEMA member states.

It is under these guidelines that cooperation in science, technology and production among the CEMA member countries will be developed in the eighties. The joint efforts of the fraternal parties are directed toward deepening and making comradely cooperation and mutual socialist assistance among the fraternal nations more effective. This includes efforts toward the joint solution of problems in the fields of science, technology, production, transportation, energy, etc."⁵

Over the past several years, there has been a lively debate in economic literature on what specific contribution socialist economic integration can make to the intensification of the economic reproduction process in the face of altered internal and external reproduction conditions. W Kunz put it this way for example: "The scientific-technological and economic potential of the CEMA nations has by now grown to such proportions that substantially greater scientific-technological and economic results can be achieved by means of international division of labor—particularly if the existing intellectual potential is appropriately used."⁶ K Morgenstern cites some new parameters for cooperation within CEMA and then goes on to say: "To do an efficient job of promoting intensively expanded reproduc-

tion by means of socialist international division of labor and cooperation; to effect savings in capital and jobs and efficiently to apply a wide range of new achievements in science and technology—that raises things to a new qualitative level; this takes a quantum jump in cooperation."⁷ Both of these statements are motivated by the idea that intensification of the economies of the CEMA member states can be promoted even more effectively with the help of scientific-technological cooperation and international socialist specialization and cooperation in production.

In our view, this quantum jump can only occur, if there is a better planned synthesis of scientific-technological cooperation and international socialist specialization and cooperation in production. In view of its politico-economic characteristics, it is a reflection of the dialectic unity between science and production in the integration process. It is based on the following well-known factors:

- The unity of scientific-technological cooperation and cooperation in production results from the common task assigned to science and production under socialism which consists in making the economic reproduction process sufficiently efficient so that social needs can be met in progressively better ways.
- Work expended on scientific-technological cooperation and socialist specialization and cooperation in production is a part of the whole of social work. Intellectual work expended on scientific-technological cooperation, for its part, represents a larger or smaller share of the work expended on science as a whole—while physical labor expended on international socialist specialization and cooperation in production makes up a corresponding share of the entire physical labor expended by each CEMA member state on the productive process.
- It is of crucial importance for the dialectical unity of science and production in the integration process that intellectual work be recognized and considered a component of the productive process and a factor of the production phase of the social reproduction process.

Intensification of the economy in the eighties places new demands on the planned synthesis of scientific-technological cooperation and international socialist specialization and cooperation in production. Goal-oriented research and development resulting in more specialized and cooperative products will be an important factor in determining the efficiency of the integration measures taken. To carry out comprehensive innovative programs such as in microelectronics, robotics and other areas, it will be necessary

for the CEMA countries to focus their cooperative efforts in the fields of science, technology and production on comprehensive solutions. This not only calls for the specialization of the production of a particular product but the development and introduction of new production technologies as well as joint efforts to enhance rationalization and reconstruction of productive processes.

It is also important to note that the relationships between the various phases and elements of the reproduction process are becoming more and more direct in terms of quality, quantity and time due to scientific-technological progress. This process becomes particularly clear with regard to the interrelationships between science, technology, production and sales. In view of the fact that these days almost 50 percent of the potential profits from the sale of a new product depends on the moment that product is placed on the market and that marketability of many products has declined by half and in some instances even by two-thirds over the past 15 years, it is evident that we are faced with new qualitative requirements which stem from the laws of the economy of time and have a bearing on the planned synthesis of scientific-technological cooperation and international socialist specialization and cooperation in production.

Another point worth noting is that up to now there has been a high quantitative trend in the integration processes both as regards scientific-technological cooperation and cooperation in production. For example, in the area of scientific-technological cooperation, the number of agreements at the government and the ministerial level between the GDR and the USSR increased from about 30 in 1971 to more than 120 in 1980. In the area of production cooperation, this trend is reflected in the increased exports of specialized products from the GDR to the USSR. These exports amounted to less than 0.1 billion currency marks in 1970 and to more than 10 billion in 1980. Obviously, this trend will not continue in a linear fashion—which is to say at such high growth rates. Over the next few years, the main source for greater efficiency of division of labor processes will not primarily be derived from an increase in their share but in a more distinctly planned synthesis of scientific-technological cooperation and international socialist specialization and cooperation in production.

Just as in the economy, the goal in international cooperation, too, is not to achieve immediate results in a particular scientific-technological project but to put them to use in material production as quickly and comprehensively as possible in the interests of further intensification. Both at the level of the economy as a whole and at the level of the combines this means that scientific-technological cooperation and cooperation in production among the CEMA member states should not merely be employed as individual processes in the interest of intensification—which will still be of importance—but that they should be synthesized, as we have said, in a planned manner. In evaluating what has been achieved, we should take the fact into account that a certain level of development and maturity of

scientific-technological cooperation and international socialist specialization and cooperation in production is required, if the planned synthesis of the two processes is to occur—a stage which, in our view, was reached at the start of the eighties. We must also take into account that the predominant view on division of labor and cooperation among the CEMA member states was such in the first half of the seventies that "the primary goal was to institute an exact division of production programs for end products among the different countries and to remove parallel developments and duplication in the productive capabilities of the processing industry."⁸ Effective development of the capital-, resource- and manpower-saving type of intensively expanded reproduction by means of cooperation now calls in the first instance for the implementation of comprehensive innovative procedures—an effort that is closely tied to a synthesis of science, technology and production in the integration process.

In the past—as analyses of agreements have shown—the linkage between scientific-technological cooperation and socialist international specialization and cooperation in production was not yet as close as intensification of the economy would require. In 1980, the bilateral and multilateral agreements on scientific-technological cooperation between the GDR and the other member states of CEMA were generally not linked to understandings on subsequent specialization and/or cooperation in production. This is one of the reasons why a large proportion of the goods manufactured in a specialized and/or cooperative fashion by the CEMA member states presently is not the result of planned division of labor in research and development. An analysis by the International Institute for the Economic Problems of the Socialist World System came up with similar findings. This study looked at more than 100 multilateral treaties and accords on scientific-technological cooperation and international socialist specialization and cooperation in production concluded by the CEMA member nations between 1971 and 1980 from the point of view of planned integration.⁹ Only 20 of the accords contained proposals which took account of the continuation of scientific-technological cooperation along the lines of international socialist specialization and cooperation in production. But these 20 agreements did contain two important hints on how to focus on the planned integration of the two main material processes. In 17 of the 20 agreements, planned integration related to the machine building industry; and 11 of the 17 agreements in the machine building industry were signed during the final 2 years of the period in question which ran from 1978 to 1981. The GDR industrial combines also present us with a very diversified picture with regard to planned integration.

Exactly what can be done with the help of planned integration is exemplified by the construction of scientific equipment for the production of micro-electronic components by the Carl Zeiss Jena combine. Scientific-technological cooperation with Soviet partners was followed up by production specialization by the microlithographic equipment production team. In addition to

the profits earned and the more than fivefold rise in output between 1976 and 1980, the combine managed to meet the GDR's needs in the field of optical precision instruments for microlithography as well as the needs of the USSR user industry with regard to the items taken over from the GDR and the needs of the other CEMA member nations. It also managed to increase its exports to the non-socialist market.¹⁰ These are economic results on which the resolutions on socialist economic integration adopted by the 10th SED party congress have focused.

The high standards set by the intensification of the social reproduction process call for closer linkage of the cooperative efforts of the CEMA countries in science, technology and production where the actual forms of linkage will be determined by the common characteristics but above all by the specifics of the two main material processes.

Common Characteristics and Specifics

There are indissoluble internal linkages between scientific-technological cooperation and international socialist specialization and cooperation in production which, in the final analysis, stem from the fact that both represent a developmental feature and an end result of the international socialist socialization of production and labor. Cooperation both in science and technology and in production are accomplished with the help of the same basic forms of socialization of production and labor; of specialization, cooperation, concentration and combination in the economic reproduction process. But these same forms may find a different degree of expression in the particular process concerned.

These politico-economic relationships form the basis for the determination of the common characteristics of the two main processes of socialist economic integration of which the following may be emphasized as being of primary importance:

First, the goal to which both scientific-technological cooperation and cooperation in production are directed is the same. "Independent of the fact of whether we are dealing with issues of international scientific-technological cooperation, of specialization and cooperation in production or any other...the goal will be under all circumstances to meet social demands and needs with a minimum of expense."¹¹ International socialist division of labor in science, technology and production presents us with a favorable climate for increasing the strength of the economies with the help of intensification and thus for a purposeful implementation of the main task which represents the unity of economic and social policy. This leads to the need to orient the two main material processes of socialist economic integration to uniform goals in a more purposeful fashion.

Secondly, specialization, cooperation, concentration and combination in scientific-technological cooperation and in cooperation in production have an impact on the organization of efficient production and foreign trade mechanisms and lead to linkage of the capabilities of the CEMA member nations. This linkage is not an end in itself but rather a means to raise the efficiency and productivity of the social reproduction process. The CEMA member states' interest in this linkage is an objective one being based on the surplus of social labor capital "which exists only in and as a result of their united, combined labor."¹²

All the CEMA member countries are presently facing structural changes which cannot—or at least not efficiently—be accomplished without international socialist division of labor and cooperation in science, technology and production. The basic goal is to develop the integration plans needed to organize the economies of the individual countries along modern lines; to develop the domestic raw material base; to refine the chemical and metal industries; to build up new branches of the machine building industry; to create the foundations for a microelectronics industry and to expand the production of consumer goods.¹³ These goals are served by long-range target programs for cooperation among the CEMA member nations as well as by the program of specialization and cooperation in production up to 1990 between the GDR and the USSR which spells out key areas of cooperation in almost all sectors of the two nations' economies in a far more comprehensive manner than heretofore and which includes a whole gamut of issues ranging from research and development to production and quality control all the way to transportation and coordination of reciprocal deliveries and thus to a large extent complies with the targeted standards of the comprehensive organization of division of labor relations designed to heighten the structural efficiency of integration measures.

Thirdly, the results of scientific-technological cooperation and of international socialist specialization and cooperation in production are accomplished within the context of the "science-technology—production" economic cycle. Each individual phase of this cycle is initially influenced by the corresponding main material process. The impact of scientific-technological cooperation and international socialist specialization and cooperation in production on the efficiency of the entire cycle is determined above all by the development and introduction of new technologies—the premise being that the technology concerned is one that overarches and integrates all the phases of the cycle. Its improvement with the aid of scientific-technological cooperation and its materialization as highly productive means of production manufactured in a division-of-labor process will most effectively and durably lead to progress in labor productivity; to lower material and energy needs; to better quality products and lower production costs.

Aside from these common characteristics of scientific-technological cooperation and international socialist specialization and cooperation in production, the following specifics should be taken into consideration with regard to planned synthesis which are the result of the peculiarities of intellectual and physical labor.

First, research organized along the lines of scientific-technological cooperation—which includes both basic and applied research efforts—leads to findings resulting from creative labor. The latter has a direct impact on the long-term nature of the research process as well as on the scientific innovation and economic applicability of the research findings as an element of the social reproduction process. This represents a major difference to the material production process—even to those processes which are implemented on the basis of specialization and cooperation agreements between CEMA member states—which turn out a product of a certain utility and value on the basis of constant repetition of the same activities and procedures.

Secondly, scientific-technological cooperation and international socialist specialization and cooperation in production differ widely in the time lag between expenditure of effort and availability of result. While the results of a specialization and/or cooperation project can immediately be gauged in terms of production and exchange figures, the realization of the expenditure of effort based on scientific-technological cooperation will often take much longer and will depend on whether a production capability exists at all. Another factor to be considered is that it is relatively uncertain to determine exactly when a scientific-technological result will be forthcoming. Both of these factors should be taken into account when a scientific-technological cooperation project is undertaken. This means that any joint research program should be organized in a goal-oriented manner; that a deadline should be set and that the separate stages should be quantifiable—which is already being done by the industrial combines. An obligatory norm of 2 years at most as was set for scientific-technological projects by the 3rd session of the SED central committee must also serve as a yardstick for scientific-technological cooperation projects undertaken jointly with socialist partners. The time lag between the expenditure of effort and the economic application of scientific-technological results will as a rule be slight when these results become a direct object of foreign trade in the form of patents, licenses, industrial models or other types of know-how.

Thirdly, it is a characteristic feature of scientific-technological cooperation that its results can be applied in a multilateral fashion. The one-time effort involved in obtaining scientific-technological results is matched by their wide-ranging application and use—one of which is their use by several economies at once. The shipbuilding industries of the GDR and the USSR, for example, jointly developed the CNC 500 "Kristall" oxy-acetylene cutter which is being used both in GDR and in USSR shipyards and has resulted in greater efficiency and productivity. A new scientific-technological method or a new product (such as in microelectronics or

robotics) may also find application in several sectors of the economy. The benefits of diversified use may be compared to those resulting from graduated production: as expenses for research and development are distributed among a larger number of products, individual expenses for research tend to decline. In order to take advantage of these benefits in the interest of strengthening the economic potential of the community, it is necessary to conduct scientific-technological cooperation not only on a bilateral basis but, if possible, on the basis of multilateral agreements.

As a consequence of the common characteristics and above all of the specifics of scientific-technological cooperation and international socialist specialization and cooperation in production the actual components of the relationship may be diversified indeed. What the optimum solution is will ultimately be decided by the criterion of efficiency and by the cost-effect ratio. This includes a more rapid transformation of jointly obtained scientific-technological results and their practical application in major graduated productive processes.

As a rule, scientific-technological cooperation will under these circumstances result in specialization and cooperation in production and/or be closely linked with it or vice versa. But the results of scientific-technological cooperation—particularly of technologies and processes—may also be realized in production processes where no international socialist division of labor and cooperation exists. Equally, the partner states involved in cooperative undertakings of a scientific-technological nature may differ from those engaged in international socialist specialization and cooperation in production in view of their different research and production systems. Or still: international socialist specialization and cooperation in production in one sector of a number of partner states may result in scientific-technological cooperation in other sectors of the same partner states or indeed of others.

In every instance, the rapid practical application of scientific-technological results resulting from cooperation among CEMA member nations will call for timely agreements among the partners for the transition to material production. Planned synthesis includes the entire process starting with the joint and/or multipartite development of a scientific-technological finding going all the way to the practical application in a production process organized along division-of-labor lines and to the continuous onward development of specialized and/or cooperatively manufactured products. This planned synthesis combines the potential benefits of the two main material processes of socialist economic integration in such a way that their utilization results in a more rapid increase in efficiency in the economies concerned and in greater long-term satisfaction of demands and needs than would be possible, if the problem were tackled in an isolated fashion.

Potential Rise in Efficiency through Planned Synthesis

Promoting the intensification of social production with the help of the acceleration of scientific-technological progress in the economies concerned—that is the main role to be played by planned synthesis of scientific-technological cooperation and international socialist specialization and cooperation in production.

Essentially, the goal is to use science and technology as a "factor of expansion independent of the actual amount of functioning capital," as Marx has put it.¹⁴ More and more, the solution of this key problem depends on the need to pay greater heed to the "science-technology-production" cycle in the sphere of cooperation among the CEMA member nations which calls for the synthesis of scientific-technological cooperation and cooperation in production into a uniform, complementary process.

With regard to possible increases in efficiency, scientific-technological cooperation enables us to reach scientific-technological targets—which are based on objective economic demands—sooner than would be possible, if the capabilities of only one country were put to use. Examples such as the high-pressure Polymir 50 polyethylene production process or the development of an automated blood analysis device which were based on close cooperation among GDR and USSR specialists are a good indication of how cooperation serves to shorten the time it takes from the conception of an idea to the practical result. But this time gain only pays off in full, if delays in applying the research findings to actual production are avoided and if the transition phase immediately follows the period of scientific-technological cooperation. There are more and more instances where both the facilities and the equipment are produced by different member countries. This type of collaboration among the CEMA member countries helps guarantee comprehensiveness of reproduction through the planned synthesis of scientific-technological cooperation and international socialist specialization and cooperation in production as a major factor in increasing efficiency. Two factors, above all, are steadily gaining in importance:

1. International socialist specialization and cooperation in production helps intensify the concentration of production and thereby work change in the productive structure of each country, benefiting those sectors and production facilities which are generally viewed as the standard bearers of scientific-technological progress. To the extent that production specialization and cooperation is intensified in sectors like machine building, microelectronics, robotics and new processes and facilities for greater refinement of raw materials and energy resources the potential grows for utilizing scientific-technological capabilities of the individual economies for new and onward developments in these sectors and for having them go into production more rapidly. The GDR can turn out top-grade products in selected fields, if she concentrates on certain items

and takes advantage of the cooperative efforts of the CEMA member countries in the fields of science, technology and production. What this also means is that specialized producers are in a much better position than producers who offer a wide selection of products to make rapid economic use of scientific-technological innovations in technology and product development.

2. A whole array of scientific-technological problems can only be solved through the coordinated efforts of several members of CEMA. Equally, their rapid turnover into production will increasingly depend on timely agreements covering the multipartite production of product components, final products, machines and facilities. Basically, specialization and cooperation in production will be efficient only if it is the result of multipartite and/or joint research and development programs of the CEMA member countries. The main reason for this is that this creates a significant basis for a high scientific-technological and economic level of specialized products and lasting reciprocal benefits of the specialization and cooperation programs themselves.

The fact that it is possible to turn new scientific-technological findings to use sooner and more comprehensively in specialized production processes and/or on the basis of cooperation is an important aspect of the efficiency-raising potential of planned synthesis.

A second important factor is tied to the direct relationship between the cost of research and development, the production standards and the per-unit producer cost. As is well known, the acceleration of scientific-technological progress is linked to increased advance expenditures for research and development and greater expenditures for individual projects. Scientific-technological cooperation can help reduce these costs for the individual economies. But economic efficiency of the results of this cooperation is increasingly being determined by whether they are realized "in major graduated productive processes. On the one hand, this is a condition under which mechanical and chemical findings alone can be applied without an increase in price—and this will always be an absolute prerequisite. On the other hand, only major graduated productive processes will make the kind of economies possible which result from communal productive consumption."¹⁵

With regard to the production guidelines for the realization of scientific-technological results, economic writers are agreed that the achievement or approximation of optimal production figures is increasingly dependent on the intensification of international socialist specialization and cooperation in production and on the concentration processes triggered by them in the participating economies. In that sense, production specialization and cooperation within CEMA determines to a large extent exactly how advance payments for research and development projects undertaken as part of scientific-technological cooperation are distributed over the largest possible volume of production.

On the other hand, greater production volumes make it possible to apply or in fact presuppose highly productive material and energy-saving technologies and equipment. Soviet economists call attention in this context to ways of lowering actual production and investment costs of chemical products through the use of efficient technologies and large volumes of production. Through the use of the most sophisticated technologies for the production of ethylene, for example, output may be increased from 50,000 tons to 450,000 tons annually while production costs will decline by 50 percent. Styrol production may be increased from 12,000 tons annually to 96,000 tons while investment costs will decline by more than 50 percent. High output helps sustain the interest of the partners in continuing scientific-technological cooperation for the development of new technologies; for the production of new and/or improved rationalization equipment and the mutual exchange thereof as well as the uniformization and standardization of components and individual parts and their specialized manufacture.

A third aspect of the efficiency-raising potential of the planned synthesis of scientific-technological cooperation and cooperation in production is related to supervision of scientific-technological research projects and to the maintenance of consistently high scientific-technological standards of the products manufactured on a specialized or cooperative basis. If scientific-technological standards do not meet the demands of the user, the stability of production specialization and cooperation will suffer. Scientific-technological cooperation must not simply be viewed as a preliminary stage of production specialization but should be organized to a much greater extent than heretofore in such a way that already specialized products can be developed further and constantly updated.

This comes out most clearly in international socialist cooperation in production and thus particularly in cooperation on components. The cooperation calls for a high level of continuing scientific-technological cooperation of the partner countries. Experiences made in the machine building, polygraphic and agricultural machinery industries all show that the closer the cooperation in research and production between final producers and suppliers is, the more benefits both will draw from the cooperative venture. As the utility value of any final product increases, the chances for innovating and/or improving its components also increase. The objective need for scientific-technological cooperation is an outgrowth of the functional interrelationship of the productive processes as well as the fact that the subjects of these functional relationships are economic units located in a number of CEMA member states. Tied to the production of goods on the basis of specialization and cooperation agreements in the several countries is the obligation of that particular country to see to the continuing innovation and improvement of these goods. In this instance, scientific-technological cooperation essentially fulfills the function of bringing the specialized product in line with new, higher demands on the part of its users.

In summing up, we may note that the efficiency-raising potential of the planned synthesis of scientific-technological cooperation and international socialist specialization and cooperation in production represents the sum and substance of the individual aspects of both processes. Its complete utilization makes it possible to solve one of the key problems connected with the acceleration of scientific-technological progress—which is how to increase the economic efficiency of science and technology. The following aspects and effects play a particularly crucial part in all this:

1. International socialist specialization and cooperation in production helps promote the efficient use of the scientific-technological potential of the separate economies in innovative processes with the aid of processes of concentration. The reason for this is that there is a direct link between the research and the production structure.

2. Planned synthesis opens the way for an intensification of scientific-technological efforts themselves.

3. It plays a decisive role in determining the exact point in time when a scientific-technological solution has been found and when it can go into actual production.

4. One of the major gains to be obtained through the comprehensive approach involved in cooperative efforts by the CEMA member countries is the foreshortening of the development phase and the time it takes to go into actual production.

5. Scientific-technological cooperation can help cut expenses for research and development in the individual economies and distribute these costs with the help of high output—usually attained through production specialization and cooperation—over a large number of products.

6. The direct link between specialization processes and continuing scientific-technological cooperation offers the guarantee for a high scientific-technological standard of specialized and cooperatively manufactured products.

Of great importance for the utilization of these potential gains—particularly the faster transition into the production process—are the conditions, connections and impulses inherent in the reproduction chain between research and development on the one hand and production on the other. What is especially important is that the necessary investments are available at the proper time along with the methods designed to achieve uniformization, typization and standardization of products and product components as well as licensing activity; joint rationalization and rebuilding of industrial plants; the need to cut transportation costs and comprehensive control, planning and economic incentive programs to foster cooperation.

Especially the timely availability of investment capital to provide for the transition of top-grade items into the production process is of increasing importance for the planned synthesis of scientific-technological cooperation and international socialist specialization and cooperation in production. As soon as scientific-technological cooperation is initiated among the various partners, they should sign an appropriate agreement on what methods are to be employed to go into production and what investments are to be budgeted. This also applies to those investments which are to be applied to the actual production of goods based on jointly funded scientific-technological research programs. Here is what the 10th SED party congress had to say on the subject of investments: "It is becoming more and more important to put valuable scientific findings to practical use faster. Priority must be assigned to progressive technologies which save time and materials. In fact, our goal must be to enhance the efficiency of whole sectors of the economy."¹⁶ Based on the need for increased planned integration of science and production, there are new and greater demands placed on the cooperation among the CEMA member nations in the most diverse areas of investment.

There is still another important link between the CEMA member countries and that involves joint rationalization and rebuilding of industrial plants. Joint rationalization and rebuilding of plants of the armature industry in Magdeburg and Pensa; of the electromotive works at Wernigerode and Yaroslavl; the furniture factories at Eilenburg and Ulyanovsk and the washing machine factories at Schwarzenberg and Kishinev are all evidence of the economic gains to be obtained in this manner. Substantial gains in efficiency were made by cutting down on rebuilding time on the basis of experience gathered by the CEMA partners and by stepping up production while reducing the number of products by means of product specialization methods.

An important factor in the planned synthesis of scientific-technological cooperation and international socialist specialization and cooperation in production are control, planning and economic incentives combined into a uniform process in the economies of the CEMA countries and in the relations among them. Closely tied to this is the conception of coordinated strategies for the development of scientific-technological cooperation and international specialization and cooperation in production as these were initiated through the long-range target programs on cooperation in selected fields as well as the bilateral programs on specialization and cooperation in production between the USSR and a number of CEMA member states up to 1990. In line with the basic concept of high complexity, general agreements were concluded at the 36th session of CEMA on cooperation in the development and wide-ranging application of microprocessor technology and the development and organization of specialized and cooperative production in the field of robotics. Agreements of a similar nature which have already been concluded with the partners in other CEMA countries include those involving the Schiffbau combine, the Carl Zeiss Jena combine and the Polygraph combine. These agreements usually contain provisions for multipartite and cooperative projects in science and technology as well as in actual production.

In all, the aim is to base strategic intensification concepts at all levels of the economy on the kind of productivity and efficiency gains that may be expected to result from the planned synthesis of scientific-technological cooperation and international socialist specialization and cooperation in production.

FOOTNOTES

1. "Politburo Report to SED Central Committee" at 5th session of SED central committee. Rapporteur: Hermann Axen, Dietz Verlag, Berlin, 1982, p 40.
2. "Statistical Yearbook of the GDR," GDR State Publishing House, Berlin, 1982, pp 89, 230, 231.
3. "Report of SED Central Committee to 10th SED Party Congress," rapporteur: E. Honecker, Dietz Verlag, Berlin 1981, p 49.
4. "New Initiatives for the Fulfillment of the Resolutions Adopted by the 10th Party Congress—A Seminar of the SED Central Committee with the Directors-General of the Combines and the Party Organizations of the Central Committee on 10 and 11 March 1983 in Leipzig." Excerpt from address by G. Mittag, Dietz Verlag, Berlin 1983, p 23.
5. "Yuri Andropov before the Plenum of the CPSU Central Committee," NEUES DEUTSCHLAND, 23 Nov 82, p 6.
6. W. Kunz, "Theoretical Issues of Socialist Economic Integration; Its Control, Planning and Economic Motivation," WIRTSCHAFTSWISSENSCHAFT, No 1, 1981, p 10.
7. K. Morgenstern, "The Increasing Role of Socialist International Cooperation in Connection with Specialization," WIRTSCHAFTSWISSENSCHAFT, No 1, 1982, p 51.
8. Y. Shiryayev, "International Socialist Division of Labor," Dietz Verlag, Berlin, 1979, p 18.
9. "Scientific Suggestions to Guarantee Mutual Scientific-Technological Cooperation and International Specialization and Cooperation in the Production of New Products in the Agreements on Specialization and Cooperation in Production and the Accords on Scientific-Technological Cooperation," International Institute for Economic Problems of the Socialist World System, Moscow, 1980 [in Russian], p 8.

10. "Combines in the Struggle to Implement the Economic Strategy of the 10th Party Congress—A Seminar of the SED Central Committee with the Directors-General of the Centrally Directed Combines and the Party Organizations of the Central Committee on 27-30 Apr 81 in Leipzig." Address by W. Biermann [excerpt], Dietz Verlag, Berlin, 1981, p 70.
11. R. Weiss, "On the Efficiency of Scientific-Technological Cooperation between the CEMA Member Countries," WIRTSCHAFTSWISSENSCHAFT, No 4, 1981, p 422.
12. K. Marx, "Outline of the Critique of Political Economics," Dietz Verlag, Berlin, 1953, p 427.
13. G. Mittag, "The Economic Strategy of Our Party—An Expression of the Dynamic Development of a Socialist Planned Economy," EINHEIT, No 9, 1982, p 881f.
14. K. Marx/F. Engels, "Collected Works," Dietz Verlag, Berlin, 1956-68, Vol 23, p 632.
15. Ibid., Vol 25, p 113.
16. "Report of SED Central Committee..." op. cit., p 57.

9478

CSO: 2500/599

WAGE COMPOSITION FOR TEAM WORK PARTICIPANTS DISCUSSED

Worker Compensation in Brigades

Prague PRACE A MZDA in Czech No 8, 1983 pp 38-47

[Article by Eng Jiri Danek, Department of Economics and Management, Pardubice College of Chemical Technology; portions within slantlines in bold face]

[Text] The formation and distribution of resources for wages in an important component of the brigade form of work organization project. Let us assume that this formation and the principles of distribution to the individual will be combined in a contract between the brigade and enterprise management, along with the period of validity of these principles. In the formation of resources for wages, we ought to proceed on the basis of performance characteristic of the work of the collective and its share in the overall performance of the enterprise. To accomplish this it is essential to have available a comprehensive system of indicators which will reflect brigade management within the context of brigade khozraschet, characterize the production process, and express the extent to which the objectives that the collective established and incorporated into its plan for innovational activity have been met.

In terms of formation and utilization, the entire volume of resources may be divided into three parts:

- a) /independent resources for basic wages/, which would have been generated by the breakdown of resources according to operating calculations, established according to performance standards, or set in terms of absolute limits on the magnitude of basic wages, i.e., according to the worktime fund, personal classifications or the amount of fixed supplementary payments tied to the amount of time worked;
- b) /independent resources for the personal evaluation of employees/; which would be a part of the resources forming the incentive component, increased by a percentage of absolute work force reductions;
- c) /the remaining resources comprising the incentive component/, which would include premiums, bonuses, transfer payments from basic wage

savings, subsidies for the overfulfillment of export targets, the achievement of higher quality, etc.

/Part a) represents resources for the payment of guaranteed components of wages (the wage rate, supplements, etc.), and in some instances contract earnings. Its formation and withdrawals from it must, therefore, be dependent on the number of hours worked or on standard hours in accordance with valid regulations and guidelines concerning compensation. It expresses above all the qualification level of the work (of the collective for formation purposes and of the individual for distribution purposes), including the essential length of practical experience, its risk, material and moral responsibility, physical and psychological stress and other appropriate requirements characterizing the demand for and the quality of human work in the production process./

The magnitude of part a) is established primarily according to service standards for a given workplace and the planned fund of work time. Supplements for environments harmful to health, for crew leadership, for overtime work, for Saturdays and Sundays and those provided in connection with actually worked hours, all belong to this category. This is because their magnitude is conditioned by technical procedures and the sophistication of equipment and not by the will of the person managing the procedure. Part a) is an expression of the requirements which production equipment and a technological procedure place on the individual and which are compiled in the rate and qualification catalogs. Moreover, these may be used for brigade forms of work organization, with particular reference to that part of the catalog listing examples of jobs included in a given qualification category.

The use of the rate and qualifications catalogs for the classifications of individual employees participating in the collective operation of production equipment is, however, limited and incomplete. This is because the catalogs have adhered to a strict division of labor, in particular when the describing the individual components of jobs, while brigade forms of work organization emphasize the collective, cumulative component.

Future catalogs, then, should also provide the opportunity for a unified evaluation of the qualificational difficulty of the work of an entire collective. This is particularly desirable in cases where full mutual interchangeability is required and where differentiation in the earnings of individual members of a collective will be shifted entirely to the incentive component of wages. This would correspond to the new status of the division of labor related to the operation of certain types of production equipment (for instance instrumentation).

/Parts b) and c) should relate to the individual and the extent to which the requirements that component a) place on him are met. Because tasks are fulfilled by various people, it is necessary that there be differences between them in the distribution of commonly generated resources as well. It is precisely in this area that decisions must be based on the merit principle and that merit must be evaluated in terms of the role of the individual in the achieved economic, social and political production performance./

Certain aspects of this performance are of a permanent or long-range nature and, therefore, cannot be evaluated in short time periods. This is especially true of jobs reflecting the temperamental aspects of a person and those jobs which acquire a new content through the application of brigade forms of work organization. In situations, for instance, where professions are merged in a new job description, a month is a very short period of time for an evaluation of the quality of this merger. Many tasks, after all, need not necessarily occur at all over this length of time (i.e., those connected with equipment shutdown, extraordinary and stressful situations, etc.). These are the situations that lead us to say about someone that he is an excellent, reliable employee capable of "filling in" for any other employee who may be absent. It is a matter, that is, of a trait of a particular person which is permanent and upon which a foreman or a manager can rely.

It was just this permanence and long-term perspective that was the motivation for breaking out a specific element of the incentive component which would express this character trait and attribute it to the individual in the form of a personal evaluation, through the use of a point system, i.e., with the aid of a coefficient of labor participation or in some other appropriate form. This amount (designated as b)) should represent one-third to 40 percent of the total planned incentive component and should increase by a percentage of wages conserved through absolute work force reductions. The latter, however, should vary according to the magnitude of underutilized time resources of those employees who have divided among themselves the tasks of an eliminated employee. It should also vary according to the amount of work which had to be allocated from the distributed profession to the quality operation of production equipment. The data necessary for determining this percentage should be provided by a comprehensive procedural analysis of the production process.

Incentives for brigades to conserve labor within the context of the collective are assured by providing them with a percentage of savings achieved in basic wages, but especially from the fulfillment of targets with lesser numbers of workers. An effective incentive level is 40-60 percent of basic wage savings, which is the amount by which the volume of resources in part b) of the incentive component would be increased. Because absolute work force reductions occur on a one-time basis, the volume of resources in part b) would also increase on a one-time basis. Nevertheless, all employees who share in part b) would then have to reevaluate themselves, otherwise the reevaluation for the paying out of part b) would be done once every 4 or 6 months (as is the case with current personal evaluations). At the beginnings of a brigade, these evaluations should take place more frequently, then later on at longer intervals. Percentages of conserved basic wages and the occasional reduction in overtime work in relation to the planned limit are reflected in part c). Greater than planned drawing down of basic wages (for instance, through overtime work) is covered from the incentive component--from part c).

Because the foregoing concerns permanence, which is connected more with internal work organization than with final production or economic results,

the overfulfillment or even underfulfillment of targets in these latter areas should have the minimum possible impact on the former components. The resources for their formation should be designated by a breakdown similar to that for part a).

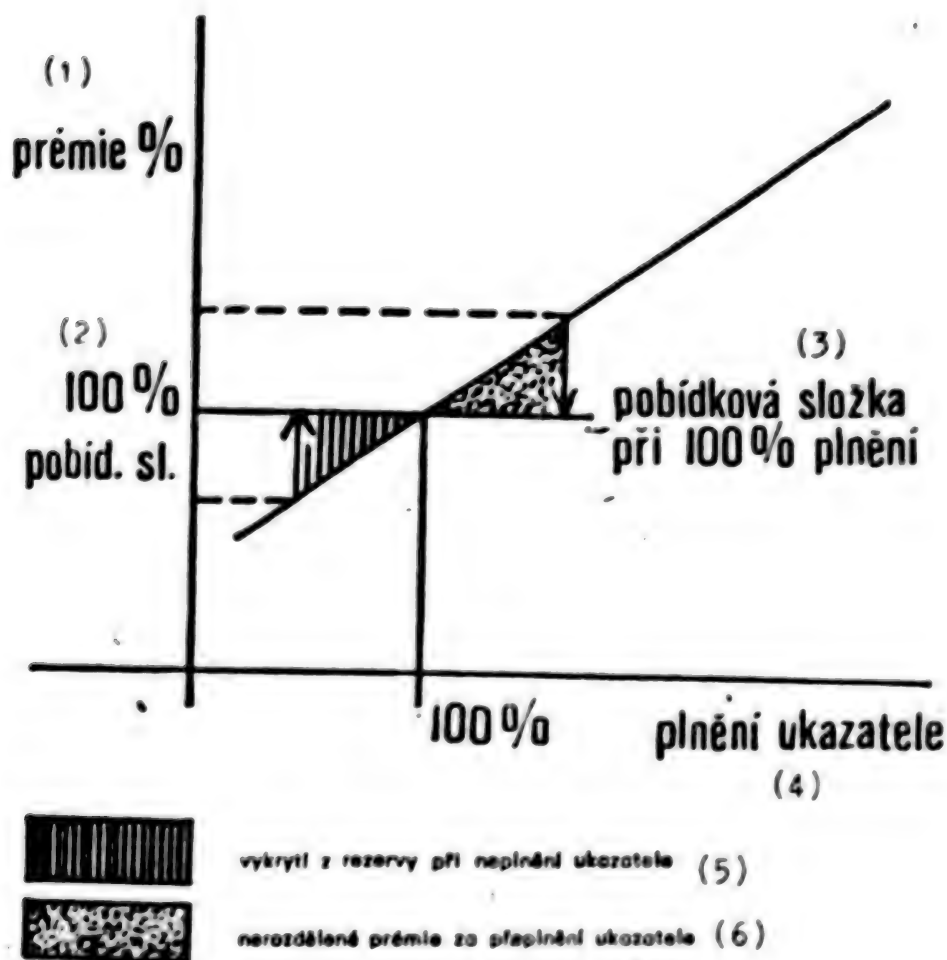
For practical purposes, part b) should not be overdrawn, because its breakdown should be governed by the total number of points for the average personal classification of the workers of a collective and according to the planned worktime fund. Any savings or overfulfillment would be entered as a + or a - in part c), and would be paid out monthly in accordance with the principle that a brigade may not create any reserve funds, and that every month the entire amount of the incentive component must be paid out (i.e., parts b) and c)). This regulation must be followed, because any creation of reserves would reduce the stimulative effectiveness of wages and eliminate the differences between the quality and poor fulfillment of tasks (see graph).

For reserve creation and indicate or fulfillment at a level of less than 100 percent, any difference in the percentage of premium should be covered from reserves, thereby reducing the impact on those who failed to fulfill a target. The same is true for the overfulfillment of indicators, when employees have created more and it is proper that they should have more for distribution among themselves. On the other hand, it would not be fair to place a higher amount of generated resources into a "reserve" and pay them out, for instance, to workers who did not share in the overfulfillment. By creating reserves we would emphasize to an unhealthy extent the social aspect of the incentive component, which is adequately expressed by part a).

Part c) expresses that part of the incentive component that is tied to the monthly fulfillment of targets. It concerns, in other words, that which changes, which reacts to operating changes, which is manifested in the amount of products, and their quality, in profits, costs entailed in the saving of energy and raw materials of all kinds, and that which even today is reflected for the most part in the indicators and conditions of premium regulations. In addition, part c) should express, in the brigade form of work organization, that which is collective, with which the brigade goes forward as a unit to meet its environment. In the wage of the individual it should be an expression of his membership in the group which collectively produces for other members of the society a specific, concrete product. While parts a) and b) express through a wage the merit of an individual in relation to the performance of the collective (i.e., his individual share), part c) should be an expression of collective work, collective performance and the amounts which are due to the individual for this performance./

The merit of every employee in a collective may be viewed in two ways:

--in terms of how the individual influences the collective, or from the other direction what the production process and the collective may expect from the individual;



Key:

1. premium in percent
2. 100 percent of incentive component
3. incentive component given 100 percent fulfillment
4. indicator fulfillment
5. covered from reserves when indicators not met
6. nonallocated premiums for overfulfilled indicators

--in terms of what the collective gives the individual for belonging to the collective and working within it with others. Because in the process of socialization the individual adopts (must adopt) the work and social standards of the collective in conjunction with its rights, duties and responsibilities, it is proper that these concerns be reflected in the wage, i.e., in the material evaluation of merit.

The entire incentive component (b) and c)) is adjusted according to the fulfillment of established indicators in conjunction with the rules of material regulation, which may differ according to the character of product of specific branches. In addition to these basic rules, it is appropriate

to establish regulations for supplementary incentives for the fulfillment and exceeding of selected efficiency indicators. These indicators usually have a shorter time frame for their fulfillment (they concern, e.g., various types of seasonal products, the satisfaction of special orders, assistance within the context of cooperational ties, etc.), but they often significantly influence the work content of an entire collective. For this reason they should also be evident in the formation of the volume of brigade wages payable resources, as expressed by the block diagram on the next page.

Conditions for the regulation of the incentive component, and therefore the entire volume of wage resources, are anchored in a contract between the brigade and economic management.

There should not be frequent changes in these basic conditions. On the contrary, their relative stability should be a matter of some certainty for the brigade. Nevertheless this does not mean that essential changes would not be made at all. Modifications ought, however, to take place primarily according to supplementary incentive regulations, an area where, contrary to the foregoing, more frequent changes are assumed.

/The proportional relationship between parts b) and c) and between the volume of resources for the meeting of basic indicators and the volume of resources tied to supplementary incentive regulations will clearly vary for individual brigades and be dependent on the concrete conditions of each division. As a reference point, it should be stated that part a) should form a minimum of 55-60 percent of total wage volume, part b) 10-20 percent (this is the desired level, but it could be exceeded in some cases of higher percentages of work force reductions), with part c) comprising the remainder, i.e. 20-35 percent./

Because the method of formation and the principles for the distribution of these resources would be fixed by contract, enterprise management should have nothing to say about the distribution to individuals and should respect the principles of distribution adopted and approved by all brigade members. This is a part of brigade independence, a reflection of collective responsibility, a manifestation of trust in collective members by management, and an expression of the democratization of compensation.

Wages of Individual Brigade Members

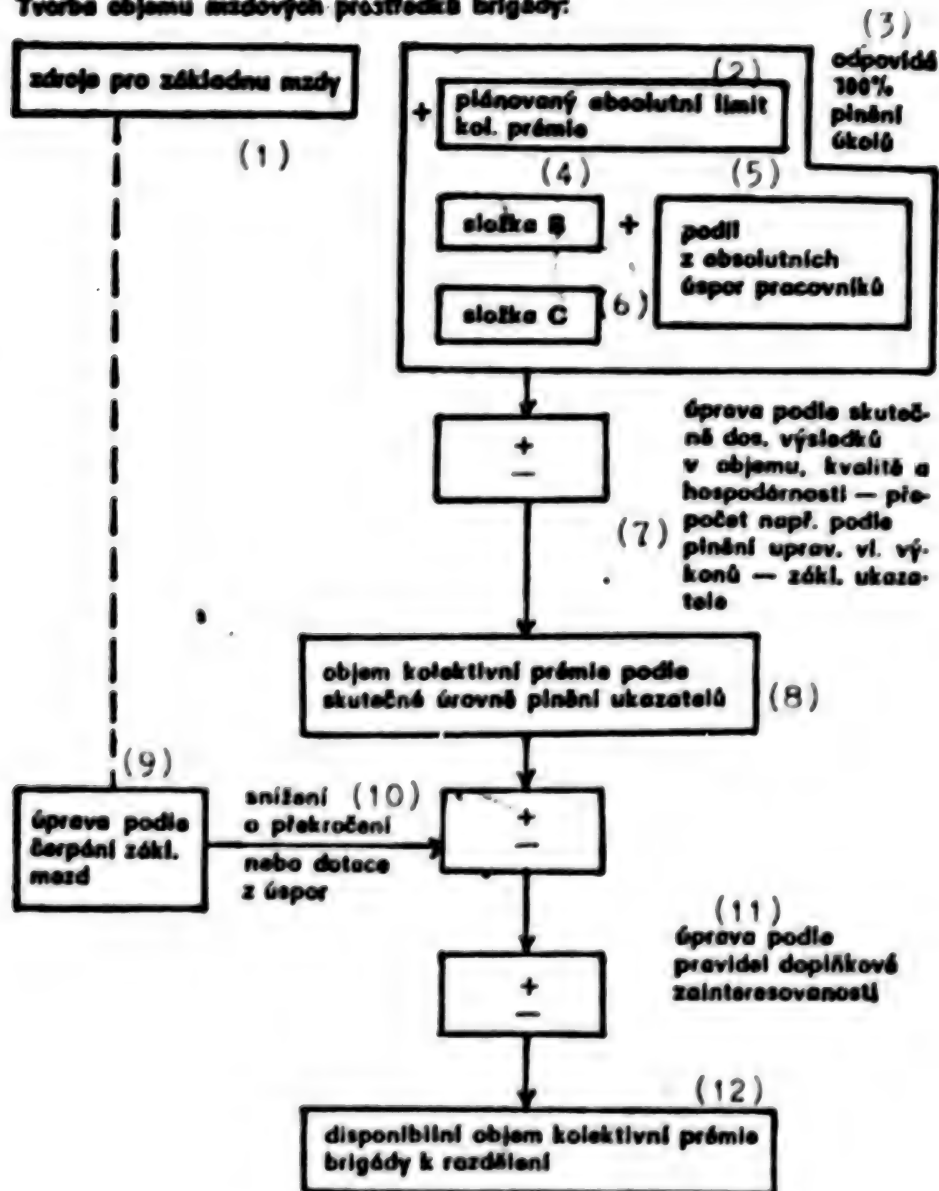
The generated volume of wages payable is conditioned both by the requirements of the production process (part a), and by the collective activity of all brigade employees (parts b) and c)). These facts also determine the distribution of the generated resources to the individual.

Basic Wages

/The resources generated for basic wages are calculated per individual for employees by an hourly wage based on their personal classification (more precisely their rates) and the number of hours actually worked. For employees working individual per assignment wage, this calculation is made

Formation of Brigade Wages Payable Resources:

Tvorba objemu mzdových prostředků brigády:



Key:

1. resources for basic wages
2. planned absolute limit on collective premiums
3. corresponds to 100 percent task fulfillment
4. part B
5. part C
6. percentage of absolute work force reductions
7. adjustments based on actual performance in terms of volume, quality, and efficiency--recalculated, e.g., according to fulfillment of adjusted value added or another basic indicator

8. volume of collective premiums based on actual level of indicator fulfillment
9. adjustment based on basic wage drawdown
10. reduction for exceeding or subsidy for achieved savings
11. adjustment based on supplementary incentive rules
12. volume of collective brigade premiums available for distribution

according to the number of standard hours worked and the rate of the category in which the work has been classified. For collective per assignment wages (sometimes also for contract wages), earnings are calculated in relation to personal classifications and the hours actually worked. In accordance with valid regulations, all types of fixed supplementary payments tied to the time actually worked are also pyaed out from these amounts. Excessive drawing down of this component, for instance due to greater than normal variation requests, increased need for overtime work, or greater than normal supplementary payments may in given months cause some dislocation between the plan and reality. In such cases, exceeding the allotted percentage for wage cost reduction is incorporated into part c) as well./

Another possibility is to calculate the share of the individual in such a way that the first payment from part a) is the amount due for supplementary payments based on their magnitude and the number of hours worked to which these supplementary payments apply, with the remaining funds divided up according to the sum of hours worked by individuals and the rates of their personal classifications. In this way, an amount is obtained which applies to 1 hour in an average rate class, as well as then enabling each individual to multiply the product of his hours worked and the rate of his personal classification by this amount. This is essentially a similar process to the calculation of collective earnings for per assignment work. A component of earnings calculated in this way represents a constant percentage of a wage and has the advantage of always distributing all of part a) among employees, so that neither reductions nor excesses need be transferred to the incentive components.

The Incentive Component

Independent resources for the personal valuation of employees, increased by a percentage of absolute work force reductions, are incorporated into individual wages according to the criteria of a point system. The latter is characterized by the longer range of its reference and is being developed according to principles for the awarding of a personal employee evaluation. The criteria are proposed by brigade captains and foremen, are approved by a member of meeting of the brigade and the DV ROH [Factory Shop Committee of the Revolutionary Trade Union Movement], and may consist of the following: commitment, loyalty to the enterprise, knowledge of more than one profession, the difficulty level of work, and working conditions.

A) /Work commitment/--the willingness of the employee to take on additional tasks, assist during exceptional and stressful situations, to accept work on Saturdays and Sundays or work outside of his shift schedule, work for the honor of the collective (for instance, unpaid brigades for the

collection of scrap metal, seasonal work, etc.), assist with cleaning work and work during production shutdowns are all monitored.

Work commitment may be evaluated by inclusion in one of several levels: little commitment...evaluated as 5 points, average commitment...evaluated as up to 15 points, good commitment...evaluated up to 25 points, and exceptional commitment...evaluated up to 40 points.

B) /Enterprise loyalty/--For every year, including partial years, 1 point is awarded, up to a maximum of 20 points.

C) /Knowledge of multiple professions/--Evaluation is made based on the possibilities for using the employee as a substitute (or for work at other workplaces). Knowledge of the other professions must be demonstrated by an oral examination given by the division foreman, division manager, the technologist and safety engineer. Evaluation awards 5 points for knowledge of 1 profession, 15 points for knowledge of 2, 30 points for knowledge of 3, and 45 points for knowledge of 4 or more professions.

If a group of workers (for instance, a single shift) commits itself to a reduction of an employee, then the amount of the savings will be distributed among the members of the group equally, and the absolute amount added to the personal valuation. If a group of 6 workers, for instance, receives monthly an amount of Kcs 1,200 for a reduction of a single employee, then each of them will receive $1,200/6 = \text{Kcs } 200$. This is because in this case the quality of the reduction is not taken into account (it is reflected in the total wage reductions, in higher productivity, etc.--i.e., in other indicators), but rather the fact that through the collective act of the group one worker was freed up to work in another division or even in another sector of the national economy.

D) /Work difficulty and working conditions/--are evaluated according to the level of physical difficulty, harmfulness and job responsibility, in terms of one of the following levels.

Level I: up to 5 points--applies to work in conditions that are not health threatening, repulsive, or physically demanding.

Level II: 5-10 points--work not worthy of supplementary payment for health-threatening circumstances but which is undesirable and borders on being considered for a supplement, or work that is physically more demanding (in some cases, shifts where there is a high level of vibration, percussive noise, or work at highly isolated workplaces, work that is very monotonous, etc.).

Level III: 10-20 points--work that has been valued as worth a supplement of Kcs 0.80 per hour--Kcs 1.50 per hour, or work that is physically demanding over the greater part of a shift.

Level IV: 20-35 points--work that has been valued as worth supplements of Kcs 2.00-2.50 per hour or work that is physically stressful throughout a shift.

An evaluation in terms of points A through D is performed once every 6 months. During the period when new brigade members are included among the reserves, i.e., for a maximum of 6 months, they are offered only part c) of the incentive components. Only during the first evaluation is the employee evaluated on a point basis along with the others for a share of part b), distributed partially on the basis of personal evaluation and partially for work force reductions. The volume of part b) resources (excluding the percentage for work force reductions) is divided up for payment to individuals by the product of the points for all brigade members their personal classifications, and the number of hours actually worked. This yields the percentage due to a single point and a single hour worked for an average classification. This percentage due each point is then subsequently multiplied by the product of the number of points, personal classifications and number of hours worked. This yields the share per individual, which is rounded off to even korunas. To this figure is added, when appropriate, an amount for work force reductions, the total of which corresponds to part b) earnings. Because reevaluation takes place only one or two times per year, the personal classification and number of points for each person may be assumed to be unchanging, which significantly simplifies the calculation. An example of a calculation follows on the next page.

The above criteria for evaluation are not exhaustive and may be changed and supplemented according to the volume and content of work in specific branches. The number of criteria may change as well, but the principle must be respected of not breaking up the evaluation into too great a number of categories.

Brigade captains are evaluated by division managers, foremen, and a representative of the DU ROH. The THP of a brigade are not evaluated according to this method and that portion of resources allotted to them from the total is set aside even prior to the distribution (ideally right at the breakdown stage) and paid out according to independent premium regulations for the THP division. These regulations must include indicators critical for the generation of brigade resources and also be tied to the economic incentives of the workers.

Part c)

This part of wages has the character of existing premiums and may be distributed in two parts. The first part is distributed among collective members according to the fulfillment of established indicators (1 or 2) expressed as a percentage. The second part is distributed by the foreman in conjunction with brigade management as a fixed premium based on the merit of individual workers in a given month, i.e., based on their participation in exceptional collection, cleaning, maintenance and other projects.

The indicators on which these premiums are based should be focused on amount, quality, management efficiency, and the like. In any event, they should be in accordance with the indicators that are critical for the

(1)	(2)	(3)					(4)	(5)	(6)	(7)	(8)	
Index	Title	Dimensions					Kos et 2 x 7	Od- prac bov	Rada 2 x 9	Rada b)		Rada et. b)
		A	B	C	D	E				11	12	
1	2	3	4	5	6	7	8	9	10	11	12	13
1/10,20	1/10,20	15	15	15	5	80	510	164	83 640	263	200	463
6/9,—	6/9,—	15	10	30	15	70	630	172	108 360	341	200	541
5/8,—	5/8,—	5	3	6	15	28	224	174	36 736	116	200	316
									228 736			

9 Rozpisem určena složka b = 720,— Kcs 228 736 = 0,0031477

Key:

1. Name
2. Classification/rate
3. Valuation
A B C D Total
4. Constant: column 2 x column 7
5. Hours actually worked
6. column 3 x column 9
7. Part b)
hours worked savings
8. Part b) total
9. Part b) determined by breakdown = 720, divided by total Kcs
228,736 = 0.0031477

formation of these components, and should contain provision for fulfilling planned targets as well as for exceeding these targets and failing to meet them. The planned premium amount, in percentages, can be paid out to individual employees only based on the principles of a previously developed and approved set of regulations consistent with the operative laws concerning the awarding of premiums. The set of regulations must state the procedure for granting and the amount of premiums for the fulfillment, overfulfillment and failure to fulfill indicators and the specific conditions for the full payment of premiums.

For the individual, part c) is calculated by determining a premium percentage for each person based on his or her fulfillment of the conditions of the set premium regulations, then calculating the actual premium amount from the number of hours worked and the personal classification wage rate. The sum of the premiums is then subtracted from the total of part c), with the remainder constituting an amount which is distributed by the foreman and the brigade management according to participation in exceptional tasks of a voluntary character. The basis of part c) should consist of the distribution of funds in accordance with the indicators of the set of premium regulations, with fixed premiums making up a maximum of 20 percent of the entire part c).

It is important that the premium indicators for the paying out of the funds in part c) be closely tied to brigade khozraschet, and that they support in their focus its effectiveness as an important management tool.

Sample Calculation:

For our example let us assume that a 20 percent premium was planned for all three workers for the planned worktime fund. Of this, 16 percent was allotted for distribution according to the premium regulations indicators, which assume that an extra 2 percent premium would be paid for every percentage point of overfulfillment. The indicator was fulfilled by 102 percent. The breakdown determined that part c) was in the amount of Kcs 1,080.

(1) Jméno	(2) Třída/tarif	(3) Odprac. hod	(4) Zásl. ol. mzdy	(5) Prémie		(6) Pevná
				sáhl.	Kčs	
.....	7/10,20	164	1673	16 + 4	334	50
.....	6/9,—	172	1548	16 + 4	310	30
.....	5/8,—	164	1312	16 + 4	262	94
					<u>Σ906</u>	<u>174</u>

Pevná prémie: 1080 — 906,— Kčs = 174,—Kčs, kterou mistr rozdělí spolu s vedoucím brigády podle úvahy.

Key:

1. name
2. classification/rate
3. hours worked
4. basic component of wages
5. Premium
basic Kcs
6. fixed
7. Fixed premium: Kcs 1,080-906 = Kcs 174, which the foreman and brigade management may distribute at their discretion.

Summary

The proposal presented here for the compensation of workers engaged in the brigade form of work organization is based on valid wage regulations and attempts to utilize those forms of economic incentives which have proven themselves in practice and are common. The purpose of brigades is not to reinvent the wheel, but to be able to make use of everything that is positive and to adapt to new conditions. In our conception, an employee's wage should be composed of:

(1)		hrubá mzda (3)		(6)		
Jméno	částka a) (2)		částka b) (4)		částka c) (5)	Hrubá mzda
	základní mzdy (7)	příplatky (8)	osobní ohodn. (9)	úspory prac. (10)	podíl prémii % Kčs	pevná prémie (12)

Key:

1. name
2. part a)
3. gross wage
4. part b)
5. part c)
6. gross wage
7. basic wages
8. supplements
9. personal valuation
10. work force reductions
11. percentage premium as % in Kcs
12. fixed premiums

The fact that a method other than the coefficient of work participation has been used for the distribution of the incentive component does not mean that this method was inappropriate. In many enterprises it will without a doubt prove itself and be an appropriate instrument for the establishment of the personal share of the individual in final results. The purpose here has been to point out still other possibilities and techniques for distribution which respect valid wage regulations and make use of the advantages of generally utilized forms and mechanisms of economic incentives.

The elements of the point system evaluation have, after all, been used in the distribution of amounts for the personal evaluation of workers, but even in the wage of the individual the collectivist element should be emphasized. This, however, is not permitted by a point system, because such a system does not reflect the final results of the activities of the collective, but rather evaluates only the resources and the preconditions which could and should lead to them. The name itself, moreover, speaks "only" of work participation without more deeply exploring the issue of how effective the participation was. The principle of individual merit, however, must always take account of the fact that a wage is a reflection of amount, quality and the social importance of work that is performed. Therefore, this principle should also be upheld in the distribution of the incentive component, the formation of which is dependent on final results.

First Quarter 1983 Developments

Prague PRACE A MZDA in Czech No 8, 1983, pp 52-55

[Article by Eng Jiri Premr, Federal Statistical Office]

[Text] For 1983, the state plan anticipates a greater growth in employment (10.7 percent) than in the first 2 years of the Seventh 5-Year Plan. In the first quarter, even this plan target was exceeded. In the socialist sector of the national economy (exclusive of JZD [united agricultural cooperatives]), the number of workers increased 58,000 (0.9 percent) in comparison with the same period last year, to reach a total of 6,715,000 persons. In the CSR the number the number of workers increased 32,000 (0.7 percent) to 4,732,000, while in the SSR the increase was 26,000 (1.3 percent) to a total of 1,983,000 people.

The number of blue-collar workers increased more rapidly in the production sphere. For instance, 1,857,000 blue-collar workers were employed in the industrial operations of industrial enterprises in the first quarter, which is 15,000 (0.8 percent) more than last year, while the number of THP has increased by not quite 1,000 (0.1 percent) to 534,000. In the nonproduction sphere, the number of employees of the educational system continued to increase substantially (6,000 or 1.4 percent). The same was true in health care (7,000 or 2.2 percent).

A total of Kcs 54.1 billion was paid out as wages to employees of the socialist sector of the national economy (exclusive of JZD) in the first quarter, Kcs 43.6 billion of which was basic wages including supplements and replacement payments (80.6 percent of overall wages), with Kcs 8.3 billion (15.3 percent) going to premiums and bonuses, and Kcs 2.2 billion (4.1 percent) being paid out as shares in economic performance. In addition, Kcs 0.9 billion was paid out for work performed, but from the other personal costs category. In comparison with the first quarter of last year this volume of wages paid represented a Kcs 1.9 billion increase (3.6 percent), which is a substantially faster growth rate than planned. These wage increases were accounted for by increases in average wages (75 percent of the increase) and by increased employment (25 percent of the increase). The structure of wages displayed a very significant shift in the direction of the variable components, since in the same period last year 81.8 percent of the total was accounted for by basic wages, 14.8 percent by premiums and bonuses, and 3.4 percent by shares of economic performance.

The greatest contributors to this high increase in wages paid were economic organizations which increased their volume of wages paid out 4.0 percent (this increase was 1.4 percent in budgetary organizations and 2.8 percent in contributory organizations), as a result of favorable results in indicators critical for the formation of wages payable resources (mainly adjusted value added and profit). In economic organizations, Kcs 41.9 billion in wages accounted for as costs were paid out in comparison with the total usable volume of wages payable resources (Kcs 44.4 billion), with the difference in the two amounts representing the relative savings. Organizations may

allocate resources from their taxable profits and up to the amount of their achieved savings to a bonus fund for the payment of percentages of economic performance. The aggregate savings of all organizations, Kcs 2.5 billion (5.6 percent of the usable volume of wages payable resources) is significantly higher than in the first quarter of last year, when it amounted to Kcs 1.7 billion (3.8 percent). In addition to the foregoing amounts, economic organizations still had at their disposal in bonus funds the remainder in those funds from 1982 in the amount of Kcs 7.3 billion. Kcs 2.1 billion was paid out for the bonus fund in the first quarter. The total amount by which the binding limits for wages payable resources was exceeded in organizations which did not adhere to these limits was Kcs 167 million, an amount that represents a substantial reduction in comparison with the same period last year.

The average monthly wage of employees in the socialist sector of the national economy (exclusive of the JZD) increased Kcs 71 (2.7 percent) to Kcs 2,685, i.e., much more sharply than projected by the annual state plan (0.6 percent). This rapid increase in wages came about primarily as a result of higher payments from bonus funds and also as a result of favorable climatic conditions at the beginning of the year in agriculture (increases were 9.3 percent on state farms and 8.9 percent on JZD), in state forests (4.1 percent), in automotive transport (6.3 percent), and in construction (3.3 percent), which was a result primarily of the extraordinary wage measures of last year, especially the wage increase granted miners as of the second quarter of last year. In independent coal extraction organizations, the average monthly wages of workers were increased 9.4 percent.

In industry and construction the increase in average wages and in labor productivity from production increased much more rapidly than planned on an annual basis. This increase in labor productivity was also influenced by there being 1 workday more than in the first quarter of 1982. For the January to May period, when the number of workdays came into balance between the 2 years, the increase in labor productivity was reduced somewhat and amounted in industry to 5.0 percent of adjusted value added and 2.4 percent of gross production, and in construction to 4.3 percent of adjusted value added, and 4.1 percent of basic construction output. The planned relationships between the development of labor productivity and average wages were adhered to in industry, while in construction the actual relationship was more favorable than planned.

See tables on following pages for detailed numbers by industry.

Table 1. Number of Employees and Average Monthly Wages in Principal Sectors in First Quarter 1983

I. Počty pracovníků a průměrné měsíční mzdy v hlavních odvětvích v I. čtvrtletí 1983

(1) odvětví (sector classification)	(2) Průměrný ověřovaný počet pracovníků	(3) Průměrná měsíční mzda v Kč za fyzické osoby		(4) Průměrná měsíční mzda v Kč za fyzické osoby		(5) 1. čtvrtletí 1983
		abs.	%	abs.	%	
Socialistický sektor národní- ho hospodářství (bez JZD) (6)	6 715 296	57 941	0,9	2685	71	2,7
z toho: Průmysl celkem (8)	2 699 164	22 039	0,8	2869	91	3,3
z toho: plánovací skupiny (9)						
těžba uhlí (10)	177 419	5 457	3,2	4302	302	7,6
výroba tepla a elektřiny (11)	72 026	1 354	1,9	3003	10	0,4
hutnictví železa (12)	154 326	—84	—0,1	3270	116	3,7
chemický průmysl (13)	128 675	517	0,4	2888	80	2,9
gumárenský průmysl (14)	37 110	—79	—0,2	2745	24	0,9
strojírenství celkem (15)	1 012 702	10 634	1,1	2829	81	2,9
z toho: elektrotechnický průmysl (16)	221 174	2 919	1,3	2593	76	3,0
průmysl stavebních hmot dřevozpracující průmysl (17)	108 825	—553	—0,5	2919	99	3,5
průmysl skla a porcelánu textilní průmysl (20)	16 902	314	0,3	2527	32	1,3
oděvní průmysl (21)	86 692	—23	—0,0	2452	84	3,5
kožedělný a obuvnický průmysl (22)	215 475	—112	—0,1	2456	59	2,4
potravinářský průmysl (23)	55 403	592	1,1	2454	93	3,9
Vnější obchod celkem (31)	84 274	—212	—0,3	2649	56	2,2
Stavovnictví (24)	192 457	2 348	1,2	2515	68	2,8
Projektové organizace (25)	544 536	703	0,1	2937	95	3,3
Státní statky (26)	50 185	582	1,2	3185	87	2,8
Státní lesy (27)	151 443	—802	—0,5	2794	237	9,3
Železniční doprava (28)	83 999	1 047	1,3	2835	112	4,1
Automobilová doprava (29)	207 675	916	0,5	2984	23	0,8
Spoje (30)	102 551	50	0,0	3082	183	6,3
Vnitřní obchod celkem (31)	121 492	1 549	1,3	2478	6	0,2
z toho: maloobchod (32)	581 468	7 968	1,4	2282	43	1,9
veřejné stravování (33)	243 206	5 651	2,1	2165	24	1,1
Podniky místní výroby (34)	158 693	2 991	1,9	2075	69	3,5
a služeb (35)	241 713	2 117	0,9	2343	43	1,9
Školství (35)	421 562	5 866	1,4	2399	—1	—0,0
Zdravotnictví (36)	322 265	7 073	2,2	2469	—1	—0,0

Key:

- | | |
|---|---|
| 1. sector (field of activity) | 19. glass and porcelain industry |
| 2. average documented number of workers | 20. textile industry |
| 3. increase or decrease over 1st quarter 1982 | 21. clothing industry |
| 4. average wage in Kčs per physical person | 22. leatherworking and footwear industry |
| 5. increase or decrease over 1st quarter 1982 | 23. food industry |
| absolute in Kčs | 24. construction |
| in percent | 25. design organizations |
| 6. socialist sector of national economy | 26. state farms |
| (exclusive of JZD) | 27. state forests |
| 7. of which: | 28. railway transport |
| 8. industry as a whole | 29. automotive transport |
| 9. planning groups of which: | 30. communications |
| 10. coal extraction | 31. domestic commerce total |
| 11. heat and electricity production | 32. of which: retail trade |
| 12. ferrous metallurgy | 33. public eating establishments |
| 13. chemical industry | 34. local product and service enterprises |
| 14. rubber industry | 35. educational system |
| 15. engineering total | 36. public health |
| 16. of which: electrotechnical industry | |
| 17. construction materials industry | |
| 18. wood-processing industry | |

Table II. Structure of Average Monthly Wages in Main Production Sectors and Index of Labor Productivity Growth in Industry and Construction in First Quarter 1983

II. Struktura průměrné měsíční mzdy v hlavních výrobních odvětvích a index růstu produktivity práce v průmyslu a ve stavebnictví v I. čtvrtletí 1983

odvětví (1) (other branches)	Průměrná měsíční mzda (2)					Index produktivity práce (10)
	celková (3)		v tom v Kčs ze (6)			
	(4)	(5)	základní mzda včetně příplatků a náhrad (7)	premií a odměn (8)	podíl na hospod. výsled. (9)	
Průmysl celkem (11)	2869	103,3	2205	555	109	106,4
z toho plánovací skupiny: (12)						
těžba uhlí (13)	4302	107,6	3155	931	216	100,7
výroba elektřiny a tepla (14)	3003	100,4	2451	513	39	104,4
hutnictví železa (15)	3270	103,7	2488	561	200	109,4
chemický průmysl (16)	2888	102,9	2255	568	65	112,3
gumárenský průmysl (17)	2745	100,9	2079	600	66	105,6
strojírenství (18)	2829	102,9	2239	510	80	106,3
z toho: elektrotechnický (19)						
průmysl (19)	2593	103,0	2052	471	70	108,6
průmysl stavebních hmot (20)	2919	103,5	2256	548	115	111,8
dřevozpracující průmysl (21)	2527	101,3	1906	635	86	106,4
(22) průmysl skla a porcelánu	2452	103,5	1914	484	54	105,2
(23) textilní průmysl	2456	102,4	1746	582	128	105,6
(24) oděvní průmysl	2454	103,9	1782	542	130	103,4
kožedělný a obuvnický (25)						
průmysl (25)	2649	102,2	1923	620	106	104,0
potravinářský průmysl (26)	2515	102,8	1944	423	148	111,0
Stavebnictví (27)	2937	103,3	2354	508	75	108,6
Projektové organizace (28)	3185	102,8	2497	443	245	.
Státní statky (29)	2794	109,3	2221	263	310	.
(30) Státní lesy	2835	104,1	2141	544	150	.
Železniční doprava (31)	2984	100,8	2572	406	6	.
(32) Automobilová doprava	3082	106,3	2527	327	228	.
Společnost (33)	2478	100,2	1955	392	131	.
Vnitřní obchod (34)	2283	101,9	1844	237	201	.

1) V % podíl průměrné mzdy na I. čtvrtletí 1983 a 1982.

2) V % podíl produktivity práce s upravených vlastních výkonů na I. čtvrtletí 1983 a 1982. Index produktivity práce v průmyslu a hrubé výroby činí 103,7, ve stavebnictví se základem: stavební výroby činí 107,3.

Key:

- | | |
|---|--|
| 1. sector (field of activity) | 19. of which: electrotechnical industry |
| 2. average monthly wage | 20. construction materials industry |
| 3. total | 21. wood processing industry |
| 4. in Kčs | 22. glass and porcelain industry |
| 5. index ¹⁾ | 23. textile industry |
| 6. included, in Kčs, from | 24. clothing industry |
| 7. basic wages including supplements and replacements | 25. leatherworking and footwear industry |
| 8. premiums and bonuses | 26. food industry |
| 9. shares of economic performance | 27. construction |
| 10. labor productivity index ²⁾ | 28. design organizations |
| 11. sector (field of activity) | 29. state farms |
| 12. of which, planning groups: | 30. state forests |
| 13. coal extraction | 31. railway transport |
| 14. electricity and heat production | 32. automotive transport |
| 15. ferrous metallurgy | 33. communications |
| 16. chemical industry | 34. domestic commerce |
| 17. rubber industry | |
| 18. engineering | |

Notes: [to Table II.]

- 1) In percentage share of average wages for 1st quarter 1983 and 1982.
- 2) In percentage share of labor productivity from adjusted value added for first quarter 1983 and 1982. Index of labor productivity in industry was 103.7 based on gross production, and 107.3 in construction based on basic construction output.

Table III. Numbers and Average Monthly Wages of Blue-Collar Workers and THP in Primary Activities of Production Sectors in First Quarter 1983

III. Počty a průměrné měsíční mzdy dělníků a technickohospodářských pracovníků v hlavních činnostech výrobních odvětví v 1. čtvrtletí 1983

odvětví (sector/industry) (1)	Dělníci (2)			Technickohospodářští pracovníci (6)		
	(3) průměrný evidenční počet	(4) průměrná mzda v Kč	(5) index ¹⁾	(7) průměrný evidenční počet	(8) průměrná mzda v Kč	(9) index ¹⁾
Průmysl celkem (10)	1 856 748	2810	103,6	533 605	3262	102,9
z toho plánovací skupiny: (11)						
těžba uhlí (12)	131 519	4436	109,4	22 959	4868	100,0
výroba tepla a elektřiny (13)	45 384	2893	100,6	18 122	3447	100,0
hutnictví železa (14)	112 930	3229	103,1	26 588	3851	105,2
chemický průmysl (15)	74 979	2852	102,7	25 753	3445	103,4
gumárenský průmysl (16)	35 978	2690	100,1	6 059	3138	103,1
strojírenství celkem (17)	644 068	2777	103,1	239 371	3087	102,9
z toho: elektrotechnický průmysl (18)	136 955	2445	103,3	51 486	2968	103,1
průmysl stavebních hmot (19)	77 870	2838	103,9	22 945	3407	103,0
dřevozpracující průmysl (20)	88 145	2437	101,0	18 477	3078	102,2
průmysl skla a porcelánu (21)	66 338	2340	103,4	13 182	3107	104,0
textilní průmysl (22)	160 624	2336	102,5	31 250	3206	103,8
oděvní průmysl (23)	43 547	2347	103,8	7 843	3126	105,2
kožedělný a obuvnický průmysl (24)	64 963	2568	102,0	11 737	3266	103,2
potravinářský průmysl (25)	139 390	2437	102,9	37 380	2953	103,0
Stavebnictví (26)	290 947	2849	103,3	92 203	3511	104,5
Státní statky (27)	119 505	2719	109,4	23 157	3481	109,4
Státní lesy (28)	58 585	2636	103,2	22 049	3434	106,3
Železniční doprava ²⁾ (29)	66 303	3389	99,9	57 315	3087	103,5
Automobilová doprava ²⁾ (30)	59 595	2908	104,8	16 889	3096	108,9
Spojky ²⁾ (31)	67 095	2135	100,0	24 474	3191	100,1
Vnitřní obchod ²⁾ (32)	386 058	2133	101,4	98 016	2861	102,9

¹⁾ V % proti průměrné mzdě za 1. čtvrtletí 1983 a 1982.

²⁾ Na osobu dělníka jako uvodící pracovníka a zaměstnance výroby.

Key:

- | | |
|-------------------------------|-------------------------------------|
| 1. sector (field of activity) | 8. average wage in Kcs |
| 2. blue-collar workers | 9. index ¹⁾ |
| 3. average documented number | 10. industry as a whole |
| 4. average wage in Kcs | 11. of which, planning groups: |
| 5. index ¹⁾ | 12. coal extraction |
| 6. THP | 13. heat and electricity production |
| 7. average documented number | 14. ferrous metallurgy |

15. chemical industry
16. rubber industry
17. engineering total
18. of which: electrotechnical industry
19. construction materials industry
20. wood-processing industry
21. glass and porcelain industry
22. textile industry
23. clothing industry
24. leatherworking and footwear industry
25. food industry
26. construction
27. state farms
28. state forests
29. railway transport²⁾
30. automotive transport
31. communications²⁾
32. domestic commerce²⁾

Notes:

- 1) In percentage share of average wages for 1st quarter 1983 and 1982.
- 2) In place of blue-collar workers, operational and service workers are listed.

9276

CSD: 2400/422

GERMAN DEMOCRATIC REPUBLIC

MANAGERS' RESPONSIBILITY FOR WORKER PRODUCTIVITY, MOTIVATION STRESSED

Meeting Market Demands

East Berlin EINHEIT in German Vol 38 No 5, May 83 (signed to press 14 Apr 83)
pp 446-451

[Article by Prof Dr Georg Ebert, director, and Prof Dr Harry Milke, docent, of the department for political economy of socialism at the SED Central Committee's Karl Marx Party College: "Increasing Labor Productivity--the Essential Factor in Growth of Performance"]

[Text] (Summary) Proceeding from the demonstration that increasing labor productivity is a concentrated expression of the vital interests of socialist society and the centerpiece of our party's economic strategy, the following questions are dealt with: Which measures and new requirements determine at present the struggle for higher labor productivity? Which tasks must principally be tackled? How can and must performance comparisons among combines as well as kreises be used more effectively still to tap productivity reserves?

In seeking a rigorous implementation of our party's economic strategy, economically significant productivity increases were achieved in 1981 and 1982. Especially remarkable in it has been that it was accomplished mainly through deepened intensification, supported by science and technology, and that the cutback in jobs coincided with considerable reduction rates in specific energy and material consumption and with an improved transport economy. All indications are this development is continuing in 1983. That is, among other things, also attested to by the obligations the combines have assumed to exceed the planned productivity increase, through socialist competition, by at least one percent.

The Most Important in the Final Analysis

The SED's economic strategy for the 1980's is a comprehensive action program for increasing labor productivity and efficiency. It reflects the creative application of the insights of the classic authors of Marxism-Leninism about the role of labor productivity in the further shaping of the developed socialist society in our country and fully meets Lenin's realization that labor productivity "in the final analysis is the most important, is crucial for the victory of the new social order."¹

Steady labor productivity growth, which expresses the economic effectiveness of the productive forces, is the material foundation for the stable development and the increased spreading of the advantages of socialist society and for ensuring the working people of a meaningful life in a climate of social comfort and security. As a key to economic performance growth, increased labor productivity is imperative for carrying on also under the conditions of the 1980's the main task course, as resolved by the 10th party congress, which makes perceptible for every one that in socialism productivity growth serves but one goal: the good of men. All experience since the first steps of real socialism in the world has confirmed the realization, time and time again, that there can be no stable solution of economic and social problems without a commensurate increase in labor productivity, and that only under that precondition will the political power of the workers class and its allies be placed on permanent, unshakable ground.

High labor productivity thus also is the decisive criterion for the economic effectiveness of the socialist production relations. Socialist property certainly does not create higher productivity automatically. So it is all the more important to make the working people fully aware of their responsibility for socialist property, through effective political-ideological party work, and this way bring to bear, as also by constantly perfecting management, planning and economic cost accounting, the advantages of socialist property, which mainly also must be reflected by the constant labor productivity improvement, practically and more and more comprehensively.

Labor productivity growth in our country is based on the purposeful development of our material-technical base and, with it, is an essential yardstick for its effectiveness. Whatever we do to strengthen it, be it through the use of microelectronics and robot technology or be it through the enhanced refining of raw materials and semifabricates, what ultimately always matters is to continuously increase labor productivity. The greater the advances made in this, the better the material conditions again for further extending our material-technical base, the perfecting of its structure and its modernization. Yet even the development of the non-producing sectors in our society, e.g. public education and culture as much as public health and social welfare, with all the various influence on all-round personality development stemming from them, is largely determined by it.

Increasing labor productivity is the key problem in raising the efficiency of the entire economic reproduction process. The decisive impulses come from there for reducing the current expenditures in material, energy and working hours per use-value unit as well as for the basic assets economy. Increasing labor productivity creates the material prerequisites for opening up ever increasing opportunities also, in terms of the time economy, to the non-producing sectors.

As an economic criterion for the effectiveness of socialist economic integration, labor productivity is gaining an ever high place value. To achieve the needed productivity increase at new dimensions it is necessary that each socialist country undertake maximal economic efforts of its own that are then to be integrated in the common effort of the CEMA countries, and the effectiveness

of which has to be heightened on the basis of a joint economic strategy and a coordinated economic policy significantly. Each step on this way adds its weight to the class struggle against imperialism and strengthens the position of socialism in the peace struggle. The full dedication of each to maximal performance growth therefore is what is wanted. A high dedication, particularly, to a far above-average labor productivity is an exceedingly effective response to economic warfare and arms buildup, to the confrontation policy by aggressive imperialist circles against the socialist countries as such. That helps frustrate that policy and make peace more secure in Europe and all over the world. All this makes evident that increasing labor productivity is a concentrated expression of the vital interests of the socialist society.

New Demands

The Central Committee theses for the Karl Marx Year emphasize that in the continued shaping of the developed socialist society the order of the day has become, historically, the implementation of the Leninist demand for a labor productivity higher than in capitalism.² That, no doubt, is a task of historic weight. Logically, the magnitude of this effort was displayed realistically, and as a mobilizing factor, together with the assessment of what has already been accomplished, at the fifth Central Committee plenum and in Comrade Erich Honecker's speech before the first SED kreis secretaries. "At present," Comrade Erich Honecker said, "the GDR has a higher level of labor productivity than Italy and about the same as that of Great Britain. This I say in the interest of a realistic evaluation. It is a position that cannot satisfy us, because on the other hand, our labor productivity is circa 30 percent lower than that of France or the FRG. While such comparisons offer no accurate picture, they still make visible certain orders of magnitude."³

It was proven cogently that in the labor productivity level attained, significant growth rates can be achieved permanently only by consistently converting to all-round intensification, i.e. by high rates of economizing in live and embodied labor per use-value unit.⁴ That is now and will remain the key issue for increasing labor productivity. Thereby we abide by the realization of Karl Marx, who formulated it this way in his "Capital": "Diminishing the total labor quantum invested in goods thus seems the essential criterion for increased labor productivity, regardless of the social conditions under which production is carried on. In a society where the producers regulate their production in accordance with a plan designed in advance labor productivity also would absolutely have to be gaged by this yardstick."⁵

Evaluating labor productivity in accordance with this criterion requires that output be constantly held against the labor expenditure for its production. The fact that today circa 70 percent of prime costs comes out of the consumption of embodied labor underscores in particular how important it is to reduce it.

This now, in terms of our economic strategy, relates not only to running expenses but even to the one-time expenses, especially those that pertain to the use of basic assets, related to outputs.

The necessary higher level of intensively expanded reproduction requires that a reduced expenditure of live labor per unit of national income no longer gets "paid for" by a dropping basic assets quota, or is "bought" for by a growing expenditure of basic assets per any mark in produced national income. A faster growth of labor productivity vis-a-vis the basic assets allocations per job, the increased basic assets quota, has now become an essentially new requirement.

Moreover, economic growth rates in labor productivity must much more be brought in line with the growing expenditures for science and technology. The GDR, as other highly developed industrial countries, spends annually more than 4 percent of the national income on advancing science and technology. Yet these expenditures have long grown faster than their economic return. In 1982, we spent 9 percent more for science and technology than in 1981, compared with a growth in economic labor productivity of a bit more than 4 percent. Changes in these proportions also, in notably boosting the degree of economic efficacy on the part of science and technology for increasing labor productivity and a higher export income, is included in these essentially new requirements.

The fifth Central Committee plenum and Comrade Erich Honecker's speech before the first SED Kreis secretaries explained the ways that conform to the new requirements for boosting labor productivity; they have crystallized in the competition projects for the Karl Marx Year.

Typical of them are in particular ideas about the growing role of the subjective factor. While a number of material resources are limited with respect to productivity boosts and it is essential to achieve a higher performance growth through a reduced resource expenditure, the opportunities for the subjective factor to affect productivity growth are unlimited for all intents and purposes. Thus, in the form of skilled scientific-technical and economic personnel and, altogether, through the more advanced training level of the working people and their grown dedication to performance, through ever closer cooperation within CMA, and especially with the Soviet Union, sources for further productivity increases are available to us which greatly help, by increasing labor productivity, meet the burdens caused by the deterioration of internal and external reproduction conditions. As tough as the efforts may be that are extorted from us, we have to confront all requirements and must react to the new market conditions. Yet the "tough competitive struggle on the capitalist market also acts as a spur. Good results are found where the challenge to one's own abilities is accepted and answered by high-grade production and by more flexibility in face of changing demands."⁶

Performance Comparison Is Helpful

Accepting the challenge to one's own capacity implies the willingness always to learn from others who manage better. It is only logical then that we should do everything we can in the Karl Marx Year to enhance the efficacy of socialist competition through extensive performance comparisons. If we can turn the best experiences into general norms for economic policy action, as found in the boosting of labor productivity, productivity increases at new magnitudes can then take effect. Thus far, the various combines have made quite uneven contributions to labor productivity increases--and the same holds true for the kreises. In 1982,

11) combines surpassed the labor productivity norm, yet 14 combines even fell below their 1951 status. As many as 27 combines reached their production growth in 1952 exclusively through increased labor productivity.⁷ Thus the rate of labor productivity was faster than that of industrial commodity production, which is to say, labor productivity increased while jobs were cut back at the same time.

The role of performance comparison in increasing labor productivity and its implications in improving management, planning and economic cost accounting and the efficiency of socialist competition keep gaining increasing importance. The requirements of the economic strategy for increasing labor productivity make no detours around any combine or territory and thus call for an appropriate formation of will and modes of conduct. It is a matter of uniform ideological positions and an unalloyed realization of the economic strategy measures. In those enterprises and combines that have to increase their labor productivity under approximately identical conditions as well as in those where this is not the case, and the diverse objective givens in these enterprises and combines, therefore have to be observed all the more carefully it is found that the often extremely uneven results in the level and increase of labor productivity are clearly attributable to considerable difference on the management level. The principle, "As the management so is the performance," time and again proves itself true with respect to labor productivity.

Efficiently conducting the performance comparison makes higher demands on the ideological work in our basic party organizations. Not only the optimum values for increasing labor productivity have to be known, but so also the ways and means used. Presupposing this, it is the success of one's own stance and the will to learn from others and bring best experiences to bear on one's own area of responsibility through improved management that is decisive. If in some cases one's own resolve is not adequate to it, it is the duty of the next-higher manager to see that the best experiences and methods are enforced by issuing mandatory requirements.

Part and parcel of the performance comparison is not to conceive of labor productivity narrowly as a result to be computed from the production volume and the labor. Labor productivity in the Marxist sense, rather, has to be looked at from the standpoint of the total operational expenditures and the *cost-effectiveness* of the production results. The quality of production and its being according to demands, price costs, not output and profit are essential criteria for judging increased labor productivity in its economic effect. In performance comparisons the increased labor productivity must always be correlated with the totality of all these matters.

Scientific-technical progress is and remains the chief factor in increasing labor productivity, and that not only goes faster than in the past internationally but also at a much broader economic range. Its tempo and effects continue to depend largely on how one proceeds in entering the primary of economic in scientific-technical work. As early as when our science and technology plans are conceived and defended, the decision is made on the world marketability and foreign currency lucrativeness of our products and technologies, because that already must express honest comparing and computing, the taking of unconventional approaches to solutions, and the determination to make novel scientific data economically productive within the shortest time frame. A "paper-grown" world marketability of products on paper does us no good at all. In

progressive combines, "nothing will fly" even in the defense of the scientific-technical task unless the requirements are based on analyses of the future trend in top world standards and the innovation planned for the future means definite use-value improvements compared with the traditional product, abysmal labor productivity increase rates, a drop in material consumption and considerable foreign exchange earnings.

Through their political-ideological work, our party organizations in the combines not merely encourage an international comparison of the technical parameters of a product or procedure. They provide the impetus for risk willingness and for already pushing into scientific-technical virgin territory, and they give their attention to the planned economic effects of a scientific-technical task as prerequisite to conquering and maintaining international market positions. If scientific-technical pioneering work is done and something new is produced that is urgently needed and still without any equivalent on the international market, above-average profits and high foreign exchange earnings can often be obtained. But if research and production bypass current and future market requirements, science and technology investments are economically out of proportion with economic productivity increases.

In the labor productivity level already attained in the GDR, the acceleration of the scientific-technical progress becomes effective mainly through structural changes relying on innovator processes and transitions to higher and the highest steps of production refinement.

The scientific-technical revolution causes a replacement process for important products at increasingly shorter time frames. Microelectronics and robot technology, e.g., experience a steady qualitative development. New technological working principles not rarely produce double digit increase rates in labor productivity in comparison with traditional technologies. This creates the material prerequisites for more economic innovation processes which are necessary at a broadening range for the productivity increases at new dimensions. A main trend for labor productivity increases in the GDR lies in the enhanced refining of raw materials, semifabrics and energy sources used. Through refining we significantly exploit the new opportunities of the scientific-technical revolution for actively meeting the limitation of material resources and maximally investing our intellectual-creative resources in productivity improvements. Intensification increases labor productivity both by raising the use value of semi-finished goods and end products and by reducing the expenditure of embodied and live labor per unit of use value.

This means: Each genuine labor productivity increase must noticeably reduce the cost per unit of use value. Prime costs continue to be an inerrantible measure for genuine intensification advances. If basic assets are purposefully modernized, investments resolutely placed in rationalization, the cost/benefit ratio considerably improved in machinery and installations, and material and energy savings are obtained that make a difference, labor productivity increase goes together with prime cost reduction. And that then also ensures the increase in the basic assets quota.

And now it is necessary at a broader economic range to lead rationalization not only to cutting back working hours but to the point where labor can be gained

the different work. If such measures are prepared over the long run in political and scientific-technical terms, the manpower gained thereby can be assigned to more effective activities, a multi-shift capacity utilization of the work assets and the further development of rationalization capacities.

As never before, increasing labor productivity under the conditions of the scientific-technical revolution is linked up with the conscious control over the time factor. Only when, e.g., the time frame gets reduced to a minimum between the conceptualization of a science innovation, its embodiment in a new product that is wanted, and its massive market availability, high economic yields can be achieved.

On the international markets there is a tough confrontation in evidence right now toward expanding available market positions, and establish new ones, through enhanced in developing scientific-technical innovations. When you can put scientific-technical top products on the market at the right time, you can count on firm market positions and above-average foreign exchange earnings. All the more important it is then for the party organizations to pay attention to the briefest application time frames and high efficiency in cooperative efforts during the production phase in scientific-technical projects and do what they can to have the end products that bring in much money sold efficiently.

Often the question is raised how long it would be necessary and possible to increase labor productivity. The answer to that can only be this: As the development of material and intellectual-cultural needs is a constant process, so also is increasing labor productivity a constant sociopolitical necessity, wherein the factors and methods used to increase labor productivity are subject to considerable dynamics. Increasing labor productivity profoundly conforms to the internal developmental needs of our social order and the main task course in its unity of economic and social policy. Mainly in this field we have to bring the advantages of socialism to bear so as to go on and change the power ratio in favour of peace and socialism in the world.

FOOTNOTES

1. V. I. Lenin, "The Great Initiative," "Werke" (Works), Vol 29, Dietz publishing house, Berlin, 1961, p 416.
2. Cf. "SED Central Committee Theses for the 'Karl Marx Year 1983," LINHEIT, No 1, 1981, p 23.
3. "Aus dem Schlusswort des Genossen Erich Honecker, 5. Tagung des ZK der SED" (From Comrade Erich Honecker's Concluding Speech, 5th SED Central Committee Plenum), Dietz publishing house, Berlin, 1982, p 24.
4. Cf. Guenter Mittag, "New initiatives for fulfilling the 10th Party Congress Resolutions," NEUES DEUTSCHLAND, 11 March 1983, p 3.
5. Karl Marx, "Capital," Vol III, Marx/Engels, "Werke," Vol 25, Dietz publishing house, Berlin, 1964, p 231.

6. "Aus dem Schlusswort . . .," op. cit., p. 3.

7. 14. "SED Central Committee Secretariat Conference with the First Kreis Secretaries," NEUES DEUTSCHLAND, 19/20 February 1983, p. 1.

Incentives for Improved Technology

East Berlin EINHEIT in German Vol 38 No 5, May 83 (signed to press 14 Apr 83)
pp 457-463

[Article by Dr Frank Adler, docent and deputy director, Institute for Marxist-Leninist Sociology, SED Central Committee Academy for Social Sciences, and Dr Rosi Winzer, docent and deputy director, Institute for Marxist-Leninist Philosophy, SED Central Committee Academy for Social Sciences: "What Provides Motivation for High Scientific-Technical Performance?"]

[Text] (Summary) It is being demonstrated by means of experiences of advanced combines and sociological surveys that the spectrum of performance motivation is highly complex and under the effect of many factors. Why are ambitious tasks as well as a clear understanding of their economic and political dimensions crucial connecting links for stable socialist performance motivation? What must management activity pay attention to so as to make still better use of the motivating effects of the performance principle (materially as morally)?

Comparisons between combines and enterprises indicate performance inequalities often are not principally due to better or poorer starting positions in material or financial funds. Decisive is how one succeeds in focusing the entire collective on the solution of ripened tasks, in creating the conditions for making use of the available performance readiness and translating it into economically measurable results. That is particularly true for using the considerable intellectual potential of the 78,000 college and technical school graduates enrolled in R&D. At the fifth Central Committee plenum, Comrade Erich Honecker pointed out "that the responsibility has become exceedingly greater for the scientists, engineers, chemists and economists working in R&D and project planning, design and technology."* On the commitment of the associates employed in that field to a large extent depends the economic advance susceptible to scientific-technical progress. Their personal performance requirements and motivations largely decide whether and with how much intensity their acquired knowledge and abilities make a true difference in any economically significant scientific-technical performance, and whether and with how much tenacity and willingness to take risks the most efficient economic solutions are sought and difficulties are surmounted.

The spectrum of motives for high achievements is extremely complex and multifaceted. It includes the desires to prove technical skill and the ability for independent creative work, create something new that has never been before,

*"Aus dem Schlusswort . . .," op. cit., p 28.

enterprise great economic and social use values, at least will hasten competition through time gain or improved technical and economic parameters of the product. It also includes the motive of finding moral or material recognition for one's achievement and, hence, personal satisfaction with one's work altogether. This complexity of performance motivation suggests that developing it cannot be a dogmatized concern and that it cannot be taken care of either through the relevant measures of material incentives or through mere agitation. Both can have the desired effect only when the collectives have the sense that in their enterprise a key position is in fact granted to science and technology in production intensification, and when enterprise management always aims its attention at encouraging the collectives' efforts for highest scientific-technical results, undergirding them materially and organizationally.

Assigning Demanding Tasks

Assigning tasks are the crucial connecting links for high performance motivation. Assignment here applies in two respects: —in that the work, in terms of its economic result, aims at the largest possible economic effect and conveys to the researcher, engineer or technician a sense of vertigo about the social utility of the work; and —in that it, in its substance, its intellectual-creative content, its sets of problems and degree of complication, challenges the performance capacity of the entire collective and thus offers each the opportunity to make the fullest use of the intellectual abilities he has, so that he will ultimately, through the greater outcome of his efforts and the solutions he has found, receive social recognition and personal satisfaction through his work.

Experience in the best combines has demonstrated that their economic results largely depend on how well they manage to direct the activity of the R&D collectives at crucial intensification matters and from it derive appropriate scientific-technical tasks and accountable economic targets for the tasking workbooks. Comrade Erich Mueller, general director of the Leuna Works, referred to one condition for it at the fifth Central Committee plenum: A thorough selection of politically and technically skilled project chiefs. There are some collectives in which tasks are still set too low, which makes them, from the outset, get programmed for mediocrity, and the particular causes for that certainly may differ from case to case. Often, however, they are essentially attributable to the chief's position about these matters. If a chief orients his collective to top achievements and unreserved world standard comparisons, the collective is encouraged to aim for high goals, even if a certain risk may come with it. Research risk also means, of course, that the course one has taken for solutions turns out not to be viable. If management activity lacks this boldness in research and the collectives fail to get the support of their chiefs in intricate situations, the result may be that they give themselves only the kind of tasks that can surely be fulfilled, which then leaves available performance potentials unexploited. One may get into similar situations if the ratio between long range and strategic and short-range, operational tasks is shifted mainly in favor of the latter, or if one does not sufficiently manage to integrate R&D organically within the enterprise reproduction process, to properly balance the tasking against one another.

The working attitude toward the intensification of work is reflected in the time and to what extent the capacities of model design and other auxiliary work factors are made available, e.g., for R&D requirements. A specific characteristic of the ideological research process is that in the course of the work (usually) offers for solutions may offer themselves that could not have been foreseen and could not be planned for, the economic effect of which, however, depends on making rapidly available the necessary materials for them, the design of a functional model and so forth. One of the tasks in the ideological work of the party organizations in enforcing the economic strategy is to stress the realization that the efficiency and effectiveness of R&D work are essential for the concern of the collectives and their chiefs right in the most important to a considerable degree be borne by the entire enterprise collective. To win the time that is needed today, the sectors of planning, material procurement and model design must more flexibly react to research requirements and draw their own conclusions from the shortening of developmental time frames, in that possibilities are created to test research results under production conditions.

Working out ambitious tasks is in itself a complicated process. Conducting it requires, apart from expert knowledge, skill in conceptual strategic work and skill in assigning to each individual associate accountable partial tasks and time. Especially the younger and still less experienced project chiefs ought to get the knowledge they need for that in good time. Experience exchange on such matters could help close existing gaps.

Political and Economic Justification for Tasks

A clear understanding of the economic and political dimensions of any given work objectives is a factor of principal importance in politically and ideologically motivating the working people altogether. One question is of special weight here for those who work in R&D: Hardly ever before has the speed in which new scientific-technical data are won or realized been so pertinent to the decision on war or peace. More than ever socialism needs the scientific and technical accomplishments to ensure steady economic growth, provide its peace policy with a solid material foundation, and assure its citizens of stable social development. When a personal concern about the war danger emanating from imperialism combines with realizing the political and economic significance of one's own work, when each associate has a concrete idea about how much depends on his project, his personal performance, and how all that is integrated with the development of the combine and the political and economic development of our country, and when one's own contribution to economic growth becomes apparent to him, the ideological work expended for it pays off through increased performance readiness. Our survey data document that the ability to evaluate research results correctly, in economic and political terms, has much of an impact on the level on which the modes of conduct requisite for high achievement are developed and become effective in a target-directed fashion.

A key position therefore attaches within the motivation that mobilize for high achievements to motives growing out of insights into social interconnections and requirements and from the conviction that one can oneself make a contribution to social progress. Its strength and level determines the stability of a performance attitude, the concrete work situation hardly having any bearing on it.

Finally when, in implementing research, tasks and resources, for whatever reasons, difficulties arise, performance motivation is needed - secondary and indirect knowledge can help orient all eyes toward removing the blocks and looking for solution alternatives.

For researchers and engineers to be able to respond to economic requirements in their own work, economic thinking is wanted more today than ever. What does that scientific thinking in relation to, for instance, its production application calls for unacceptably high costs or if it saves neither material nor energy? It does not mean, of course, that R&D personnel should become economists. Yet to be able to opt for the most favorable scientific-technical and technical alternatives, a certain measure of applicable economic knowledge and information is necessary. That includes knowing what saving time means in developing a product and putting it in production, under the conditions of economic warfare against the ally, and how much depends on energy saving, the enterprising economy and the enhanced refining of raw materials. That also means being thoroughly familiar with the world standards of a certain technology and its technology and with international developments, trying, and if means - setting market goals in time. Such economic thinking cannot come only from training, literature and jury. There must be practice in the best fashion. When the firms that have stood out well in the development process of young technology, for now getting remarkably drawn into value engineering, a slight economic change for product development and a selected number of other indicated by area will make it so.

Exercising an influence on cost reduction efforts and on a more favorable cost/benefit ratio, apart from the necessary technical and economic knowledge, there also is the courage to raise questions again about solutions found and targets achieved. In progressive collectives it is more soon time and time again how much importance attaches there to frank and critical discussion of targets, courses and results, and how a diversity of knowledge, experiences and abilities brings about an effective result, provided the manager, in cooperation with the party organization, the trade union and the youth association, knows to create a performance enhancing and congenial atmosphere in which novel ideas, rather than being discarded as cumbersome, are carefully tested for their utility - and thinking continues beyond them.

Creating the Conditions for Creative Work

To create or ambitious labor tasks with great economic effect doublets is primarily a question of content. But simultaneously, an extremely great motivating capacity derives from such target-setting being the second aspect - namely only when they contain substantively interesting sets of problems. And this is exactly what some R&D personnel would expect. Especially the younger personnel with development capability are intent on testing their capabilities and abilities through solving ambitious tasks. They want to explore and solve their problems. That is the reason why in places where ambitious tasks challenge the knowledge and skill of the personnel, where training and skill is taken into consideration in recruitment and in the distribution of tasks, performance training, the desire for training, the identification with the tasks and with the occupations and other motivations and attitudes conducive for such

complex assignments are more prominently developed. It is a management activity task of the first order to pick up such readiness and have demanding assignments translate it into performance. That way alone can researchers, engineers and technologists spot their own strengths and weaknesses early in the game and find out where their knowledge and skills are not adequate and must urgently be developed.

Empirical surveys demonstrate quite a large group of researchers and engineers feel, rather too little taxed than overtaxed, as far as qualifications are concerned. There are mainly two directions in which the causes for that have to be sought. For one thing, results point out that there still are tasks where the intellectual/creative level of tasks is set too low from the outset. Thus, even in terms of the nature of the task, too little is demanded of such traits as creativeness, the daring for new solutions, and the readiness to commit oneself to a high risk alternative. But that loses important potentials for motivating for demanding achievements as well as for the full utilization and further development of the intellectual capabilities, and for a personal identification with the trade of a development engineer or a technologist.

Secondly, when high college and technical school graduates feel they are not sufficiently challenged, the reason often is that they still get into too many administrative tasks to shore up their research projects and also into administrative chores, subordinate scientific-technical work, mental routine or other activities below their qualification level. That, in turn, sometimes comes from the fact that in the management and planning of the companies' reproduction process one does not always succeed in reacting flexibly enough to the rapidly changing requirements in scientific-technical development that is part and parcel of intensification, or that there is a shortage of qualified or additional and fairly unskilled scientific-technical personnel. Intensification, however, also, and not least, means intensification of intellectual work in terms of qualitatively higher demands. In the long run, when not enough is demanded, it undermines the performance-readiness and commitment, diminishes the capability for truly creative work, gives rise to a proclivity for fluctuations and thus means a waste of the intellectual potential--and this holds true especially for personality development.

Various measures exist for the requisite expansion of the proportion of production-creative work, for the rationalization and intensification of mental work. They entail an elevation of the creative level of requirements as much as a more effective labor and management organization or a better utilization of available technical means for the rationalization of formal-mental activities (microcomputers, modern testing and measuring technology, graphics machinery). Fine opportunities are offered also by supra-enterprise users' communities that would make a more efficient full capacity use of available equipment and add the research work. Then one has to take into account that especially in intellectual/creative work often considerable differences are found in the type of individual capacities, so that specific suitability and ability ought to be used as a more target-directed fashion when tasks are distributed in the institution. Not every employee--as one has to keep in mind--is suited equally for specific tasks, while he still may have excellent abilities for scientific-technical tasks in the production process itself.

innovative arrangements that challenge an individual also allow him to attain
progress toward deepening his thinking, that is, to work out for his work,
the individual's improvement in his capabilities. We will begin about the
work of the individual level and it should be not regarded as the only
level of training but only as a basis that an individual can further develop.
That also is in full conformity with the experience of outstanding personalities
among scientists and inventors. Under current conditions, there are mainly three
training elements that have gained universally valid importance in advanced
training as knowing something about adjoining fields of knowledge (designers,
etc.), want not to know more about technology, about the basic development
of the technology of microelectronics and robot technology, applied
mathematics, etc. In addition, a skill to acquire rational knowledge in one's own
work, the technology of intellectual work, the ability to work with
information, the knowledge of technical literature in the actual work
situation, and last, the knowledge of foreign languages.

Target areas of advanced training for the personnel concerned must be
based on the situation of the individual. Thought should be given to how
many of the individual's education and training have been in the field of
education and medicine could be applied to the specific requirements for
technical personnel, especially the project chiefs. One should
also consider the extent to which an individual has previous experience in
training. The development of the personnel capabilities of such a person. The
first steps in that direction were taken in an enterprise of the GDR.
That was the company in Berlin. There, development engineers and other
graduates get a concrete task that could be an opportunity for advanced training.
After a specified period, through a so-called "rotation conversation", the
individual is asked to say what the person concerned has achieved in his task, whether
he continues to be suited for the intended field, or which training measures
should next follow.

Some forms of training that conform well to the specified in the collective
are highlighted in science events and technical conferences, seminars, etc.
A further exchange, e.g., between research institutions and applica-
tion enterprises.

The high performance capability and willingness of the researchers and engineers
are caused by the incentive itself, the more important is the motivation that
comes from the success. From the other side, the successful coping with a con-
crete task and from the pleasure in a successful technical solution new
impulses arise for highlighting the performance demand. Therefore, a very im-
portant aspect of management activity is to organize the success, all the
activities leading up to the products' success, by solidifying the success.

4.2.2. Incentive in the Recognition of Achievements

It is through the complete implementation of the performance principle that
a certain high performance success of researchers and engineers. A
dissemination and rating and recognition of performance, along with their own
satisfaction, also affects the working people's need for identity.

*"Der Arbeiter, der Produkte Macht, Hat Auch Recht, Mehr Besser Das zu Erreichen,"
NDR-FRAGENSTUNDEN, 9. Juli 1987, S. 11.

their sense of justice, their interest in occupational development, and the ability to make a career for oneself through technical performance. Thus a comprehensive understanding of the performance principle is necessary to use the diverse incentives in management activity and personnel work. That also means such forms of performance recognition as a capability- or performance-related assignment or an appropriate occupational long-range plan and an intra- or extra-assignment distribution, getting delegated to technical conferences, tours and study tours, and the public personalification of individual and collective work results.

Our studies indicate there is a considerable "deficit" of moral incentives. Potential reserves for eliminating that are found in the work collective itself: whereas to those who work in R&D the appreciation shown for their work achievements within their own work collective--especially by the chief of the collective--is the most important, yet also the recognition of work results by the state has great incentive potentials. The place value of these "instances" in performance recognition mainly is due to the fact that heightened technical authority, along with assuming demanding work tasks, is considered by most the most important form of "getting ahead" in one's occupation.

The highly stimulating weight of performance assessment and recognition by superiors, colleagues, and users conforms to essential sociopsychological conditions of intellectual-creative R&D work. Whereas a production worker usually can rate his own work results in terms of volume and qualities as easily and fairly accurately so, it requires a longer time frame for intellectual work results and is possible only approximately and only through R&D specialists. The interest and sensitivity to performance and conduct ratings also are intensified by the fact that intellectual-creative achievements are linked with an intensive involvement of the whole person.

One principle "from each according to his abilities . . ." enjoys a special place value in R&D collectives as a form of using and recognizing differences in the number and types of individual capacities which in intellectual-creative work sometimes are considerable. That also makes it necessary to do away still more fully with leveling "equality principles" in assignment distributions and career work, e.g., by an early and purposeful promotion of scientific-technical talent. Realizing that world market positions in commodity groups can be held and extended only if the appropriate research level is controlled by top scientists, in the research center of the VEB Carl Zeiss Jena Combine, e.g., especially efficient and capable young researchers are deliberately trained to become the top researchers for any given commodity group. The "special conditions" offered through a development program that covers several years are not oriented to the "greenhouse" model but to the principle "promotion through challenge." At the same time the promotion measures, in substance, relate to various motives young scientists have, such as the desire for performance-related long-range professional prospects, for ambitious assignments, a technical qualification and growth, and the recognition as a scientific specialist. The development program contains requirement situations and qualification processes (ideological-political education, acquisition of international experiences, linguistic skills and so forth) promoting diversified personality development and the ability to assume managerial responsibilities.

2. 3. Material incentives, this is what stimulates and analyzes (confirms or denies) existing demands and their performance levels with the exact comparison and perceptible differentiated material recognition of results achieved. The main attributes, to make the fullest use of the improved economic base for differentiated material performance recognition, are a correct division and organization of scientific-technical work, its delivery and completion by the end of the collective, and streamlined procedures. When there are tendencies to put things on an equal level or be formalistic about it, the strongly performing researchers in particular think that amounts to a lowering of their efforts and results. An unjustified granting of such things, however, obscures the connection between work performance and work done, and economic flows appear as "firm" elements of wages. Besides, there is the collective's disinclination for conflict, or a "bread and butter" attitude, always also contrasting the associates' sense of justice. A more differentiation in accordance with performance is what they regard as right.

2. 4. Social attitude taken by the end of the collective in these matters. The main activity is the next higher management organs and party and trade union organizations seeking a uniform and consistent approach within an enterprise. That is another reason why the problems of the application of the economic principle deserve to be more of a focal point of the ideological and the political-practical debate in work, party and trade union life.

2. 5. The high and integrity in performance rating must be "administratively guaranteed" even by the most "perfectly tuned" system of parameters. An example is in the performance requirements and the criteria and conditions for their rating. These are subject to great dynamics, and the "distortions" hardly corrected, making the performance principle can never be reduced to "an order" because that order will always be a creative task that calls for strength of character.

It is essential prerequisite for heightening the moral effect of material incentives to take into account better account of the strongly developed need for recognition here lies in a frank and critical discussion of work results achieved with collectives. That is connected with rating performance produced--the appropriate measure that becomes a sound basis for regular performance ratings. The main large intervals, however, about the criteria applied, the method of their determination and lack of control in implementation of an order have the consequence that the associates are deprived of an incentive for working independently on their own toward overcoming deficiencies. The specific atmosphere that prevails in a given collective affects the final and consolidation of stable socialist performance motivation. Management should create the basis in creating everywhere the objective and subjective prerequisites necessary for it.

NEW TYPE ECONOMIC ORGANIZATIONS EXAMINED

Budapest FIGYELŐ in Hungarian No 34, 25 Aug 83 p 7

[Article: "Analysis of New Type Economic Organizations"]

[Text] Relying on 1982 data and on-the-site information collected at selected data processing centers of its area offices, the KSH [Central Statistical Office] has published an analysis of various new type economic operations.¹

The number of forms that are linked to economic organizations and created within their framework grew dynamically while the number of organizations that are legal entities grew more slowly.

Table 1. Number of New Type Economic Organizations

Magnevességek (1)	Az új típusú gazdasági szervezetek száma	
	Értéke az 1982. december 31-én	Amelyek jogi személyek voltak az 1982. december 31-én
(6) Összes új gazdasági szervezet	148	—
(7) Összes jogi személyes gazdasági szervezet	2779	97
(8) Összes jogi személyes gazdasági szervezet	2779	97
(9) Összes jogi személyes gazdasági szervezet	2779	97
(10) Összes jogi személyes gazdasági szervezet	2779	97
(11) Összes jogi személyes gazdasági szervezet	2779	97
(12) Összes jogi személyes gazdasági szervezet	2779	97
(13) Összes jogi személyes gazdasági szervezet	2779	97
(14) Összes jogi személyes gazdasági szervezet	2779	97
(15) Összes jogi személyes gazdasági szervezet	2779	97
(16) Összes jogi személyes gazdasági szervezet	2779	97
(17) Összes jogi személyes gazdasági szervezet	2779	97
(18) Összes jogi személyes gazdasági szervezet	2779	97
(19) Összes jogi személyes gazdasági szervezet	2779	97
(20) Összes jogi személyes gazdasági szervezet	2779	97
(21) Összes jogi személyes gazdasági szervezet	2779	97
(22) Összes jogi személyes gazdasági szervezet	2779	97
(23) Összes jogi személyes gazdasági szervezet	2779	97
(24) Összes jogi személyes gazdasági szervezet	2779	97
(25) Összes jogi személyes gazdasági szervezet	2779	97
(26) Összes jogi személyes gazdasági szervezet	2779	97
(27) Összes jogi személyes gazdasági szervezet	2779	97
(28) Összes jogi személyes gazdasági szervezet	2779	97
(29) Összes jogi személyes gazdasági szervezet	2779	97
(30) Összes jogi személyes gazdasági szervezet	2779	97
(31) Összes jogi személyes gazdasági szervezet	2779	97
(32) Összes jogi személyes gazdasági szervezet	2779	97
(33) Összes jogi személyes gazdasági szervezet	2779	97
(34) Összes jogi személyes gazdasági szervezet	2779	97
(35) Összes jogi személyes gazdasági szervezet	2779	97
(36) Összes jogi személyes gazdasági szervezet	2779	97
(37) Összes jogi személyes gazdasági szervezet	2779	97
(38) Összes jogi személyes gazdasági szervezet	2779	97
(39) Összes jogi személyes gazdasági szervezet	2779	97
(40) Összes jogi személyes gazdasági szervezet	2779	97
(41) Összes jogi személyes gazdasági szervezet	2779	97
(42) Összes jogi személyes gazdasági szervezet	2779	97
(43) Összes jogi személyes gazdasági szervezet	2779	97
(44) Összes jogi személyes gazdasági szervezet	2779	97
(45) Összes jogi személyes gazdasági szervezet	2779	97
(46) Összes jogi személyes gazdasági szervezet	2779	97
(47) Összes jogi személyes gazdasági szervezet	2779	97
(48) Összes jogi személyes gazdasági szervezet	2779	97
(49) Összes jogi személyes gazdasági szervezet	2779	97
(50) Összes jogi személyes gazdasági szervezet	2779	97
(51) Összes jogi személyes gazdasági szervezet	2779	97
(52) Összes jogi személyes gazdasági szervezet	2779	97
(53) Összes jogi személyes gazdasági szervezet	2779	97
(54) Összes jogi személyes gazdasági szervezet	2779	97
(55) Összes jogi személyes gazdasági szervezet	2779	97
(56) Összes jogi személyes gazdasági szervezet	2779	97
(57) Összes jogi személyes gazdasági szervezet	2779	97
(58) Összes jogi személyes gazdasági szervezet	2779	97
(59) Összes jogi személyes gazdasági szervezet	2779	97
(60) Összes jogi személyes gazdasági szervezet	2779	97
(61) Összes jogi személyes gazdasági szervezet	2779	97
(62) Összes jogi személyes gazdasági szervezet	2779	97
(63) Összes jogi személyes gazdasági szervezet	2779	97
(64) Összes jogi személyes gazdasági szervezet	2779	97
(65) Összes jogi személyes gazdasági szervezet	2779	97
(66) Összes jogi személyes gazdasági szervezet	2779	97
(67) Összes jogi személyes gazdasági szervezet	2779	97
(68) Összes jogi személyes gazdasági szervezet	2779	97
(69) Összes jogi személyes gazdasági szervezet	2779	97
(70) Összes jogi személyes gazdasági szervezet	2779	97
(71) Összes jogi személyes gazdasági szervezet	2779	97
(72) Összes jogi személyes gazdasági szervezet	2779	97
(73) Összes jogi személyes gazdasági szervezet	2779	97
(74) Összes jogi személyes gazdasági szervezet	2779	97
(75) Összes jogi személyes gazdasági szervezet	2779	97
(76) Összes jogi személyes gazdasági szervezet	2779	97
(77) Összes jogi személyes gazdasági szervezet	2779	97
(78) Összes jogi személyes gazdasági szervezet	2779	97
(79) Összes jogi személyes gazdasági szervezet	2779	97
(80) Összes jogi személyes gazdasági szervezet	2779	97
(81) Összes jogi személyes gazdasági szervezet	2779	97
(82) Összes jogi személyes gazdasági szervezet	2779	97
(83) Összes jogi személyes gazdasági szervezet	2779	97
(84) Összes jogi személyes gazdasági szervezet	2779	97
(85) Összes jogi személyes gazdasági szervezet	2779	97
(86) Összes jogi személyes gazdasági szervezet	2779	97
(87) Összes jogi személyes gazdasági szervezet	2779	97
(88) Összes jogi személyes gazdasági szervezet	2779	97
(89) Összes jogi személyes gazdasági szervezet	2779	97
(90) Összes jogi személyes gazdasági szervezet	2779	97
(91) Összes jogi személyes gazdasági szervezet	2779	97
(92) Összes jogi személyes gazdasági szervezet	2779	97
(93) Összes jogi személyes gazdasági szervezet	2779	97
(94) Összes jogi személyes gazdasági szervezet	2779	97
(95) Összes jogi személyes gazdasági szervezet	2779	97
(96) Összes jogi személyes gazdasági szervezet	2779	97
(97) Összes jogi személyes gazdasági szervezet	2779	97
(98) Összes jogi személyes gazdasági szervezet	2779	97
(99) Összes jogi személyes gazdasági szervezet	2779	97
(100) Összes jogi személyes gazdasági szervezet	2779	97

Key:

1. Classification
2. Number of Units, 31 December 1982
3. Number of units discontinued during course of year
4. Independently organized legal entities:
5. Small enterprises
6. Small coops
7. Linked to an independent legal entity
8. Enterprise business work partnerships
9. Specialized industrial and service coop groups
10. Specialized agricultural coop groups
11. Fixed rate detachments
12. Contractual detachments
13. Leased property
14. Business work partnerships formed by private persons

1. "New Type Economic Organizations in 1982", KSH 1983

The small enterprises, the small coops and the specialized industrial and service coops conduct for the most part industrial and construction industrial activity. Most of the VCM's [enterprise business work partnerships] belong to the "owner" enterprise profile and perform chiefly producer or production assistance work. According to their reported profiles, business work partnerships formed by private persons (hereinafter: private business work partnerships) perform industrial, service and other activities in equal one-third ratios. In this sphere the ratio of intellectual work that is not capital intensive is large, and actual production activity is small.

Organizational Forms

1. Forms as legal entities

Most of the small enterprises operated as subsidiaries. In 1981, 23 subsidiaries were formed. Most of these (14) are operating in the construction industry. Nineteen of the subsidiaries are operating in the small enterprise form.

At the end of last year there were 145 small coops in the country. Of these 99 were newly founded while 46 were established from coops that were transformed since the number of their members did not come to 100 persons. Half of the industrial small coops were established in the machine industry.

2. Non-legal entities, but linked to legal entities

Among the new type organizations belonging to the socialist sector, the most widely spread and the ones most in the center of interest are the VCM's. By 31 December 1981, 2,775 such organizations had been formed. The rapid advance of the VCM's may be ascribed to the confluence of "owner" enterprise and worker interests.

Containing its experience, some enterprises contribute to the formation of business work partnerships only if their right to existence is supported by economic calculations. In order to measure realistically the work performed and the contribution, some enterprises require the business work partnerships to conduct a daily account of activities on basis of which a post-calculation can be made. In other places the enterprise accepts the prices fixed on the basis of small-enterprise regulation if this is more favorable than work done under its own management or through outside business.

Most of the VCM's were formed in the material branch, primarily industry (53 percent) and the construction industry (31 percent).

The activities of specialized agricultural coop groups have a tradition. These were formed first in the villages with their organization designed for joint production, processing and marketing. Of the 2,688 specialized coop groups operating by the year's end, 17 were working on state farms and the rest in the framework of ACo's [General Consumer and Marketing Cooperatives] and producer cooperatives.

Almost half of the fixed rate detachments operating within cooperatives provided personal and economic services, while 36 percent performed industrial activity and 17 percent construction industry activity.

Outside of domestic trade, the contractual and lease operations have not been widely extended. In 1982 a total of 119 enterprise detachments operating in the contractual system were formed. Most of the contractual detachments perform industrial activity.

By the end of last year, the economic organizations had leased 87 small-plant or service units. The interest for this operational form was small.

3. Business work partnerships formed by private persons

The number of private business work partnerships rose steadily during the year, and by the end of 1982 a total of 2,341 organizations had been licensed by the appropriate councils.

Their activities are manifold and frequently the profile of a given business work partnership is also very complex. Accordingly, it is hardly possible clearly to establish to what line of work they belong. Most of the business work partnerships, 812 units, were formed for the performance of industrial activity.

The 2,341 private business work partnerships have more than 11,000 members, and the average number per partnerships is five. A large ratio of the members fulfill their business work partnership activity in addition to a main occupation.

Table 2. Sales Revenue: 4.3 Billion Forints
(sales revenue of new type organizations,
1982, in million forints)

Árbevétel: 4,3 milliárd	
Az új típusú szervezetek árbevétele, 1982. (Millió forint)	
Szervezet (1)	(2) Árbevétel
Kisvállalatok (3)	884,8
Kisüzemeltető (4)	207,8
Vállalkozói gazdasági munkahelyek (5)	224,8
Sport és szórakozási szervezetek	
szakszervezetek (6)	984,8
Összesen (7)	4 302,2

Key:

1. Organization
2. Sales Revenue
3. Small enterprise
4. Small coop
5. Enterprise business work partnership
6. Specialized industrial and service coop groups
7. Total

The sales revenue of almost 4.3 billion forints comes to 0.2 percent of the gross national product. In addition, the achievement of the private business work partnerships may be estimated at 320 to 400 million forints.

The VGM's achieved 86 percent of their annual sales revenue in the second half of the year by which time, as compared to the 182 units at the end of the first half year, a total of 2,278 had earned sales revenues. In the second

1982-83 the rest 17 percent of the VOM's achieved a sales revenue of more than 100,000 forints. With somewhat more than one-fourth of the personnel, these business work partnerships earned 65 percent of the total sales revenue in the second half of the year.

Eighteen Thousand in Main Occupations

In the end of 1982 about 65,000 persons were working at small organizations with independent legal entities, at farms that are not legal entities but are linked to work, and at private work business partnerships. Among the above-mentioned new type organizations, the number of personnel was the largest in the case of VOM's, and by year's end these were operating with more than 24,000 members. The private work business partnerships had 11,000 members by year's end, most of them on part time and working in addition at their main occupation.

Among those working at small enterprises, small coops and specialized industrial and service groups, and private business work partnerships there were about 19,000 persons who had a main occupation (some also worked formerly at the other work places prior to transformation into small enterprises or small coops).

By year's end the manpower engaged in this way came to 0.4 percent of the new small businesses. Thus the work mobilization effect of the new small enterprises was not appear strong up to this time.

The average number of persons working in a small undertaking ranges from 5 to 100 persons.

TABLE 1. Average Number of Persons in a Small Organization (at end of 1982)

Átlag létszámú kisvállalkozások 1982. vége végén		
Kisvállalkozások (1)	(2)	97 00
Kisvállalkozások		81 00
Vállalkozásipari munkahely- ekhez (3)		11 00
Magánmunkaadók által létre- hozott gazdasági munkahely- ekhez (4)		5 00

Key:

1. Small enterprises
2. Small coops
3. Enterprise business work partnerships
4. Business work partnerships established by private persons

Income

According to our data those employed at small organizations that are legal entities, VOM's, specialized industrial and service coop groups earned a total of almost 1.3 billion forints for personal income), 85 percent in the second half of the year. Our figures show that income development in the second half of the year may be regarded as characteristic. In this period the following average monthly personal incomes developed for all participants in these organizations:

Small enterprises (1)	5177 forints
Small coops (2)	4225 forints
Enterprise business work partnerships (3)	7749 forints
Specialized industrial and service coop groups (4)	6222 forints

Key:

1. Small enterprises
2. Small coops
3. Enterprise business work partnerships
4. Specialized industrial and service coop groups?

The statistics revealed a wide spread in the case of various activities. For example, 2,500 to 2,100 forint average incomes developed at the VGM's. At the specialized industrial and service coop groups, per person income ranged in general from between 4,000 to 6,000 forints, but the computer technicians, for example, earned over 7,000 forints a month. There also was a significant spread in average incomes by megye.

2. The significant difference between the last two groups is due chiefly to the fact that in the case of specialized industrial and service coop groups those engaged full time are also included, and this raises the average (these are main occupation workers).

Page 2
ENC 2/88/549

GOVERNMENT OFFICIAL COMMENTS ON FOREIGN EXCHANGE BILL

Source: *WCEH* WARSZAWY in Polish 18 Aug 83 pp 1, 6

[Interview with Zbigniew Karcz, director of Foreign Department in Ministry of Finance, by Janusz Kotarski; date and place not specified]

[Text] A draft "foreign currency law" was recently submitted to the Sejm for enactment. This new law is designed to establish rules regarding foreign currency circulation in Poland's economy and its constituent sectors, as well as in private dealings.

[Question] What were the reasons for drawing up this proposed law?

[Answer] This is the first proposed amendment to the foreign currency law in 30 years. Stability of foreign currency circulation rules is certainly desirable. Yet, during the past 30 years, conditions involving the national economy's functioning, as well as the character of some legal relations between private citizens, have changed, especially in recent years when the economic reform has been implemented. For instance, whereas there were only a few foreign trade firms authorized to export and import goods when the first such law went into effect 30 years ago, at present some 150 socialized firms are authorized to conduct transactions with foreign partners. Polish firms have meanwhile emerged as an entirely new factor in the Polish economy. Soon, too, mixed-ownership companies are likely to appear. Banks, especially the National Bank of Poland, have been given new functions. New legislation concerning economic and social developments went into force, which involves foreign currency circulation in various ways. This latter is the most significant reason for introducing the foreign currency law.

Besides, the 1952 foreign currency law has meanwhile been supplemented with a great many complementing regulations involving new phenomena and developments. Thus, by now, legal regulations in this area are mostly contained in lower-level acts rather than in a parliamentary law, which is very undesirable from a legislative point of view.

[Question] Could you please specify the scope of applications of this new law?

Question: The draft primarily specifies rules for holding foreign currency assets in Poland by individuals and institutions, as well as by foreigners staying in Poland. Moreover, the draft law sets rules for Polish nationals and institutions holding such assets abroad. Further, it sets rules for foreign-currency circulation, for pecuniary liability and obligation settlements; it makes it mandatory to report property held abroad, and defines limits and rights in disposing of such property.

Answer: Finally, the draft law specifies rules for control of foreign currency circulation and use. Its scope is therefore very broad and comprises virtually all operations foreign currency circulation may necessitate.

Question: Will the proposed law entail changes in rights and duties of individuals and institutions concerning disposal of foreign currency?

Answer: Changes, if there are any, will be primarily regulatory in nature. The new provision is that Polish nationals will be allowed to strike deals with foreigners for rendering certain services to foreigners (staying abroad)--services which are not included in the realm of foreign trade--and to get paid in foreign currency via a bank. For instance, a Pole may take on the job of tending a foreigner's family tomb and get paid in foreign currency, yet only via a Polish Foreign Currency Bank. Other similar contracts may be concluded, too, for compiling bibliographies or writing articles, provided a given service does not belong to the realm of trade. Moreover, the law will specify a number of operations for which an foreign currency permit will be required, and which up to now were listed in pertinent implementing regulations. It will also list certain restrictions. It will be illegal to engage in foreign currency trafficking. The law will introduce an obligation to receive or spend foreign assets only through a Polish Foreign Currency Bank and to report property held abroad to the National Bank of Poland. Exchange of foreign assets without a bank's intermediation, or purchasing or selling property abroad without a foreign currency permit, will also be banned. As before, Polish currency assets must not be sold either in Poland or abroad. In sum, therefore, the draft law does not introduce many changes in existing legal regulations. This applies not only to Polish citizens, but also to foreigners staying in Poland or to persons visiting their families.

Those persons will, as before, be obliged to exchange foreign assets for Polish zlotys in order to cover expenses of their stay. They may hold foreign assets in Poland, but they must dispose of them in keeping with regulations in force. Purchasing things from individuals with foreign assets will also be banned, to say nothing of selling foreign assets for zlotys.

Question: How will the proposed law affect operations of the PEO Bank and Zlotys?

Answer: Like regulations presently in force, the law authorizes citizens to hold foreign assets in bank accounts. Nothing is changed in this respect. Foreign currency transfers of money received from foreigners to bank accounts, as well as bringing foreign assets into Poland, are legal. The only change in the new law is that, unlike the previous law, this time citizens will be

carefully allowed to keep bank accounts in foreign currencies. This is an additional guarantee for citizens that the existing status of private foreign currency bank accounts will be preserved.

As for Pewex coupons, they are not strictly specifying, foreign currency assets. They only serve as a means of payment for goods sold in the Pewex shop network. Therefore Pewex coupons are not within the scope of the proposed law, which neither endorses nor bans sales or purchases of such coupons. We realize that private trading in such coupons is highly controversial, and that Pewex coupons are often used for profiteering. Yet there is no point in introducing legislative obligations or prohibitions which might cause more harm than benefit. I do not believe even the most severe sanctions would put an end to speculation involving Pewex coupons or even foreign currency assets. What must be simulated most of all are causes, not effects. We still remember times when differences between official and black-market exchange rates for a dollar or for a Pewex coupon amounted to ten-fold percent only. This happened whenever or less the same amount of goods were available in ordinary shops as in the Pewex network. We are aware of all inadequacies as well as broad public resentment of what is called "internal export." However, people must also recognize the positive effects this has, primarily the flow of foreign assets into Poland's national economy.

(S): 1600/3

MINISTER OPPOSES CONTROLLED SALES

Warsaw RZECZPOSPOLITA in Polish 11 Aug 83 p 5

[Article by Anna Sielanko: "No Approval for Controlled Sales. Comments by Zygmunt Lakomicz, Minister of Domestic Trade and Services"]

[Text] [Question] The controlled sales of industrial articles introduced in a few provinces are generally criticized. Negative opinions about this type of sales were also presented in our newspaper. What does the Ministry of Trade think about the controlled sales? This question was addressed to Zygmunt Lakomicz, minister of domestic trade and services by RZECZPOSPOLITA.

[Answer] Everybody in the ministry, including myself, is of the opinion that the controlled sales are not good. I think, that this form of trade suits only a small group of people and the group does not consist of people who--according to the intentions of the creators of the system--were supposed to benefit from it. The goods are frequently bought by a chance customer.

We understand that the gangs of speculators who bought out the rugs and carpets were supposed to be eliminated in this way. It was not foreseen that the speculation in merchandise will be replaced by speculation in coupons. It is widely known that coupons are available in the marketplace for several thousand zlotys.

Thus, the ministry addresses the governors once more so that they would change their decisions and all the controlled sales would be stopped. The state must regulate all the principles of sales. It is inconvenient for people, considering the present supply, and favors speculation but gives the equal right of purchase to everybody and does not create social divisions. The Ministry of Trade is entitled by the Council of Ministers to make all the decisions about the sales system, appropriate consequences will be drawn against those who will fail to obey our decisions.

The problem of block sales in the enterprises. The ministry recognized such a form of sales under the condition that it will include clothing only. Block sales in the factories have to be organized by trade enterprises only.

All the factories have right to organize such kiosk sales at their places, primarily those with women as the majority of the workforce. Only if the demand expressed by the crews to purchase a given product will be satisfied, is the product then allowed to be sold. Such a form of sales, although it does not eliminate speculation, obviously limits it and constitutes a major improvement for the workforces.

Kiosk sales should not include such products as washers and refrigerators, as it was introduced in Warsaw. The ministry will address the mayor of the city in this respect, so that these sales would be stopped. While making a final decision the mayor should take into the consideration the objective results of consultations which were conducted by the authorities in the enterprises. I will also ask the mayor to consult the ministry before the implementation of the new solutions of this problem. Warsaw cannot apply solutions other than those applied elsewhere in the country.

No controlled sales will solve the problem of supply. Free sales are the only remedy for increased supply. That is why the whole effort of the government is directed towards production growth. The supply of certain articles grows faster than it was assumed, in spite of significant difficulties. Only 2 months ago there were grave doubts if the 1983 plan for the production of washers and refrigerators would be fulfilled. At present the situation has improved.

During the last meeting the government made the decision which will bring about the acceleration of the production increase in the light industry, because of the situation in supplying the customers with the articles of the first order. Controlled sales have never been treated by the government as a system which even in the most difficult situation could be used over an extended period of time.

The government and its organs did not make any decisions which would enable the implementation of controlled sales in such a way as they were introduced in some provinces. Nobody was entitled to use such a form of sales to customers, after the rationing of shoe sales were lifted. The governors were authorized to direct the merchandise directly to those customers for whom they were designated only where it was possible and reasonable.

By this I mean, the sales of notebooks to the students' co-ops in order to make it impossible for the enterprises to buy them out, sales of sports shoes needed during physical training classes by the schools, or sales of medicated elastic stockings by the Union of the Handicapped.

However, the sales of allotted merchandise cannot be extended to those products that are in short supply for persons for whom they were primarily designated and to those products that cannot be ranked among the first order goods. Thus, it is clear that we do not approve the controlled sales of rugs introduced in Warsaw. This decision should be lifted as soon as possible. Increased production and deliveries will most effectively eliminate the arguments of those who support the controlled sales. I emphasize once more--the ministry opposes controlled sales.

DEFICIENCIES IN HARVESTING SUGARBEETS DEPLORED

Bucharest SCINTEIA in Romania 23 Sep 83 p 1

[Excerpts] Launched in the middle of this month, the campaign for harvesting and processing sugarbeets should be approaching its peak now. Analyses carried out in the specialized laboratories of the sugar factories reveal that in every county there are large areas where the sugarbeets have reached technological maturity, which ensures high yields in processing and, also, high incomes for producers. A proof of this is the good progress achieved in harvesting sugarbeets in the majority of agricultural units in Bacau, Bistrita-Nasaud, Brasov, Cluj and Neamt counties.

According to the schedules established some 415,000 tons of sugarbeets should have been harvested and processed in the period since the harvest began. This was the minimum amount necessary for the sugar factories to operate at full capacity, that is, at least 67,000 tons of sugar a day. However, since the campaign began, only 176,200 tons of sugarbeets have been harvested--less than one-half the amount established. There are some counties--Mehedinti, Olt and Suceava--where harvesting has not yet begun and in others, Teleorman, Dolj, Constanta and Braila, the harvesting pace is completely unsatisfactory. Because of these deficiencies in harvesting, many sugar factories--in Corabia, Ianca, Podari, Timisoara, Oradea, Tg Mures and Pascani--have not yet begun processing and others which have begun to produce--in Roman, Buzau and Bod--have not had enough raw material for even one day of production.

It is especially important now that all measures be taken to accelerate the harvesting and transporting of sugarbeets. We are emphasizing this because, even in recent days, the pace of harvesting has been slow. At the same time, not even the small quantities which are harvested have been transported, in their entirety, to the factories. On Tuesday, for example, more than 12,000 tons of the almost 32,000 tons harvested remained on the fields. In Arad County, of the 12,000 tons harvested since the beginning of the campaign (an amount which is only one-half of what was specified in the daily schedule), only 2,300 tons have been transported. Large quantities of sugarbeets remain in the fields, in piles, in agricultural units in Neamt, Bacau, Botosani, Iasi, Brasov, Timis and Cluj counties.

Of course, explanations can be given (and are being given) to justify something which cannot be justified: the violation of precise regulations which set tasks

and responsibilities for those persons who are obliged to ensure that the campaign for the harvesting and processing of sugarbeets is carried out under the best possible conditions. On the basis of the requirement that the average per hectare yields be increased, the party leadership directed that, this year, the sugarbeet harvesting campaign should begin later, thus providing the producers with the opportunity to obtain supplementary yields and incomes. However, under the terms of this agreement the producing units are obliged to provide, each day, the quantities of sugarbeets needed for the factories to operate at full capacity so that both the harvesting campaign and the processing campaign can be concluded on schedule. However, information received so far indicates that this obligation has not been respected by many leaders of agricultural units. Such manifestations of lack of discipline make it necessary to reflect and, especially, to take firm action intended to ensure that the sugarbeet harvest is executed under the best possible conditions.

The leaders and specialists in the producing units must clearly understand that the level of the sugarbeet harvest is, above all, an agricultural problem, beginning with compliance with the technology of growing this crop and ending in the harvesting and transporting of the yields to the factories. Any deviation from these rigorous norms and from the daily schedules for harvesting and transporting the yields causes losses, both for the producers and for the processing enterprises. Our society cannot allow such losses, just as it cannot allow any of the excuses which are being made now in connection with the failure to meet schedules for harvesting and transporting sugarbeets.

END OF

FICHE

DATE FILMED

14 OCT. 1983
